

EUROPEAN NEWS

WESTERN EUROPEAN UNION

Europe applies the brake on veteran defence vehicle

OUR ORGANISATION is like a good veteran car that hasn't been on the road for 15 years. It can give good rides in its time and could again. But today, as you try to re-start, the battery is flat. When you push it, it moves—but not far enough.

The WEU's revival was born out of the crisis surrounding deployment of new US missiles in Europe when ministers felt the European voice was not being heard fully.

Charges that the WEU has failed to live up to its ministers' promises were expressed last week in Venice by Mr Jean-Marie Caro, French president of the organisation's (indirectly elected) ministerial assembly.

The record of the WEU on other important issues has also come under fire. The rationale for re-activation in 1984 was that the organisation, which links its members in treaty arrangements from the early 1950s, was the only European body capable of discussing defence matters.

Two German states sign cultural and sport accord

EAST AND West Germany yesterday concluded a wide-ranging cultural, scientific and sports accord which was held up for 13 years because of East German claims on art treasures in the West.

The agreement provides for East and West German theatres to perform in each other's countries along with orchestras and other cultural groups.

But it will affect the largest number of Germans by enabling friendly competitions to take place between local football clubs and other sports groups.

Warsaw to restrict TV reception

Warsaw is to restrict television reception of Western television companies such as the European Satellite Television Broadcasting Corporation.

Officials maintain that the regulation is designed to control location of aerials in advance of the introduction of Polish satellite television in the early 1990s.

Poland's Interior Minister, General Czeslaw Kiszczak, has told a Communist party meeting that his security service between 1981 and 1986 has broken up 1,600 illegal groups and uncovered 1,200 distribution points for opposition literature.

David White in Madrid reports on a youthful national institution Spanish daily celebrates its first 10 years

Spanish daily celebrates its first 10 years

IT LOOKS like News International's "fortress" at Wapping in London all over again.

From the outside, the editorial headquarters and photocomposition centre of El Pais, out in the eastern backwoods of Madrid, has an oddly military aspect: heavily guarded, with chicken-wire on the fence, a metal detector at the entrance.

Spain's Ruling socialist party is more worried about voters staying away from the polls in the General Election on June 22 than about losing votes to other parties.

Francisco's death, the newspaper has accompanied Spain through its democratic transition, fervently defending its new constitutional system in moments of crisis.

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INSIGHT INTO CORPORATE STRATEGY

CASIO COMPUTER: The Medium is the Message

Casio Computer, established as Japan's only specialist maker of electronic calculators in 1957, has created entirely new markets in Japan and abroad by producing small, high-quality and affordable LSI-based products such as calculators, watches, musical instruments, cash registers and printers.



Mr. Kazuo Kashio Senior Managing Director Casio Computer Co., Ltd.

By Glenn Davis

Since exports account for about two-thirds of your company's total turnover, the rapid rise of the yen vis-a-vis your currencies must be having a powerful effect.

Yen Appreciation

There are other, less important factors explaining the relative lack of enthusiasm for the WEU today. France under a fully Socialist administration was a prime mover in its reactivation.

far away are they?

Kashio: Well, the wall-hung TV is no dream, we have the technology to produce them already. Many businessmen today use pocket pagers to remind them to call the office and that same technology could probably be adapted into a wrist-watch telephone.

International Electronic Network

Kashio: We have sales outlets in the United States, the United Kingdom and West Germany and our company recently established a brand new sales outlet in Holland.

Davis: After the development of film mother boards, pocket calculators were quickly reduced to credit-card size. Is this the ultimate in pocket calculators or does your company have yet another surprise?

Kashio: We think that the pocket calculator has reached the ultimate in compactness but that its functions may still be expanded. We now

have plans to market a very small calculator, for example, in which the owner may enter additional data such as phone numbers, birthdays, and schedules.

We also believe that the functions of calculators and computers will come closer together in the future. For example, one of our newest calculators can show data either in numerical or graph form. It is very helpful for engineers or students to be able to instantly verify raw data.

We are now rapidly replacing the metal parts of our analog watches with plastic, already some 80-90 parts of the total 18-25 have been plasticised. This means that watches require no oil and assembly processes can be greatly simplified since parts are molded.

Davis: There is a lot of interest in electronic musical instruments and synthesizers. Many improvements have been made of late but what kind of new products are waiting in your company's wings?

Kashio: The first generation of electronic

musical instruments simply featured a variety of different products but the second generation have become teachers for the musically illiterate. Lamps on the keyboard direct the operator through the song with the idea that repetition will produce the correct pattern.

Davis: You and your brothers have brought success to this company in a rather unique fashion. Current sales are a quarter of a trillion yen and may well reach one trillion by the end of this century. Is there a lesson that we foreigners may learn from your example?

R&D Pays Off

Kashio: I have never had time to stop and consider whether our company was succeeding or not. We cannot really say that we chose the best possible route to success. Had a more precise approach been taken from the beginning, Casio might now be an even larger concern. We have always thought that perhaps a greater respect for danger would have served our needs better.

Since we started making calculators when the internationalisation of this device occurred, all we did was turn out as many as we could for sale and export. We did not really get deep into management until we started to diversify into television, watches, musical instruments and printers.

The driving force behind our success has always been the rapid development of new products. We celebrate our 30th anniversary this year. By our 25th year, we had already sold 100 billion yen worth of calculators and that doubled in the following five years.

We believe that the yen will probably never again become as cheap as before and that its rapid appreciation was a good experience for us all.

CASIO

CASIO COMPUTER CO., LTD. 2-6-1, Nishi Shinjuku, Shinjuku-ku, Tokyo 163, Japan Telephone: (03) 347-4837 Telex: J26931 CASIO

CASIO ELECTRONIC CO., LTD. Unit 6, 1000 North Circular Rd., London, NW2 7JD Telephone: (01) 450-9131 Telex: 883446

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TOKYO SUMMIT

Baker ebullient as proposals for co-ordination win backing

BY PHILIP STEPHENS IN TOKYO
MR JAMES BAKER, the US Treasury Secretary, was in ebullient form as he saw his proposals for tighter economic policy co-ordination between industrial nations adopted at this week's Tokyo summit.

of their willingness to intervene in currency markets. In fact, the US Administration did not get all it was looking for and there was some private scoffing among other delegations at Mr Baker's comment that the agreement marked the most significant step since the breakdown of Bretton Woods in 1973.

for a whole range of economic performance indicators implied no automatic obligation on governments to change tack. But the comments of senior US officials that the industrial countries are now moving inexorably towards a system of managed exchange rates were hard to deny, as was their insistence that governments had now accepted much wider international responsibilities.

The US interest in such an accord is clear. The decision by Mr Baker last year to abandon the economic isolationism preached by his predecessor, Mr Donald Regan, reflected the fierce protectionist pressures in the US Congress as the US current deficit headed towards \$100bn (£66.6bn).

Now the US Treasury Secretary wants other industrial nations, particularly surplus countries like Japan and West Germany, to bear more of the burden of adjustment. In essence, US action to tackle its budget deficit should be mirrored by greater efforts elsewhere to take the lead in sustaining and quickening economic growth.

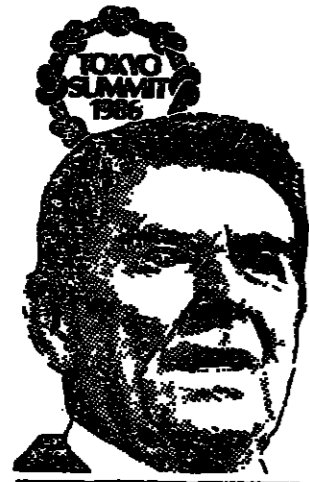
The US call for symmetry is in no sense a revolutionary idea. Arguments over the relative role of strong and weak countries in rectifying imbalances in the world economy have raged since the establishment of Bretton Woods.

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Harmony vindicates the Reagan philosophy

BY REGINALD DALE, US EDITOR, IN TOKYO



Ronald Reagan

Mr Reagan came to Tokyo demanding action, not words, against terrorism... What he got was words that suggested action.

PRESIDENT Ronald Reagan flies back to Washington today, rates, inflation and the dollar and to the widespread acceptance of Mr Reagan's growth oriented, free market philosophy since he first expounded it to his colleagues at the Ottawa summit of 1981.

France, perennially suspicious of summits as a potential vehicle for US hegemony, can usually be counted on for a flamboyant display of brinkmanship on a point of Gallic principle. This time Mr Mitterrand, restrained by the presence at his side of Mr Jacques Chirac, his right wing Prime Minister, produced no such fireworks.

nuclear accident with moves to ensure that adequate information is provided on such incidents in future. Mrs Margaret Thatcher, the British Prime Minister, started in Tokyo both as the advocate of the toughest anti-terrorist stance to take along with the Japanese security forces, as the most abrasive sparring partner of the aggressive White House press corps.

riding political priority. What he got was words that suggested action. He did not get, and US officials maintain that he did not ask for, endorsement of future military strikes.

struck was that the US's allies, by agreeing to tougher diplomatic and political measures, hoped to head off new American military adventures: the Americans hope that the allied measures would reduce the need for further strikes.

US and France politely renew their 'old friendship'

BY REGINALD DALE IN TOKYO



Francois Mitterrand

THE US and France yesterday politely made up their differences over France's denial of its summit to American Secretary of State George Shultz, who had conducted last month's air raid on Libya—a refusal that caused outrage in the US.

After a 45 minute meeting with President Ronald Reagan, President Francois Mitterrand said that the two countries had put the incident behind them—a few accidents had never affected the fundamental 200-year-old Franco-American friendship.

France, while ever vigilant of its sovereignty, did not want a crisis in relations with the US, Mr Mitterrand said. He accepted that the French refusal of over-flight permission, which forced the American aircraft to make a long and risky detour via the Strait of Gibraltar, had shocked American public opinion.

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Communique sets out the need for policy continuity

THIS is a partial text of the economic communique agreed by the seven Tokyo summit nations:

We stress the need to implement effective structural adjustment policies in all countries across the whole range of economic activities to promote growth, employment and the integration of domestic economies into the world economy.

of Seven Finance Ministers, including Italy and Canada, which will work together more closely and more frequently in the periods between the annual summit meetings.

and deal with. Invite finance ministers to report progress at the next economic summit meeting. These improvements in co-ordination should be accompanied by similar efforts within the Group of Ten.

importance of the case-by-case approach to international debt problems. A number of African countries continue to need emergency aid, and we stand ready to assist.

We reaffirm our commitment to halting and reversing protectionism and to reducing and dismantling trade restrictions. We support the strengthening and functioning of the General Agreement on Tariffs and Trade, its adaptation to new developments in world trade and to the international economic environment, and the bringing of new issues under international discipline.

If large imbalances and other distortions are allowed to persist for too long, they will present an increasing threat to the world economic growth and to the open multilateral trading system.

It is important that there should be close and continuous co-ordination of economic policy among the seven summit countries.

With the representatives of the European Community: State that the purposes of improved co-ordination should explicitly include promoting non-inflationary economic growth, strengthening market-oriented incentives for employment and productive investment, opening the international trading and investment system and fostering greater stability and predictability in currency exchange rates.

The heads of state or government request the Group of Five Finance Ministers to include Canada and Italy in their meetings whenever the management or improvement of the international monetary system and related economic policy measures are to be discussed.

At the same time, developing countries, particularly debtor countries, can fit themselves to play a fuller part in the world economy by adopting effective structural adjustment policies, coupled with measures to mobilise domestic savings and encourage the repatriation of capital, to improve the environment for foreign investment and to promote more open trading policies.

Bearing in mind that the recent oil price decline owes much to the co-operative energy policies which we have pursued during the past decade, we recognise the need for continuity of policies for achieving long-term energy market stability and security of supply.

OTHER OVERSEAS NEWS

Shultz arrives in Seoul as political violence increases

BY STEVEN B. BUTLER IN SEOUL

MR GEORGE SHULTZ, the US Secretary of State, arrives for high-level talks in Seoul today against a background of rising anti-government and anti-American violence in South Korea.

Students blame the US for what they say is a lack of democracy in South Korea and the presence of US troops in Korea prevents a reunification of the Korean peninsula.

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Savimbi ends talks with Botha

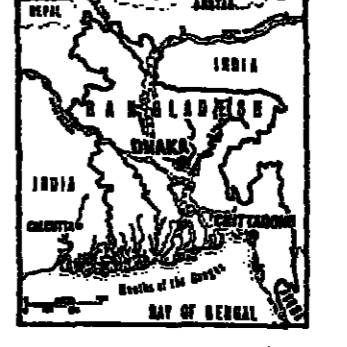
By Anthony Robinson in Johannesburg

AFTER two days of talks in Cape Town with President P. W. Botha and other top South African politicians, Dr Jonas Savimbi, leader of the rebel Angolan Liberation Movement (Unita), returned to his southern Angola base yesterday.

John Elliott reports from Dhaka on today's parliamentary election Ershad fine tunes Bangladesh poll

THE MAIN issue of political debate in Bangladesh where a general election takes place today is not how much ballot rigging and violence will take place in order to ensure a substantial victory for the New Jatiya (National) Party which backs Lt General Hussein Mohammed Ershad, the country's military ruler for the past four years.

'The party is Ershad's passport to political survival if all goes well for him today. He is expected to stand as a presidential candidate in elections at the end of this year, after which martial law will be ended, he says.'



between the elected cabinet and the president, with the army also holding rural development-linked posts which would enable it to guard key parts of the country's infrastructure.

Gandhi forces alimony issue

BY K. K. SHARMA IN NEW DELHI

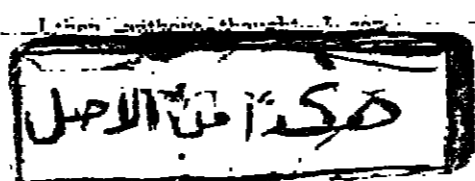
INDIA'S Prime Minister, Mr Rajiv Gandhi, yesterday forced his first controversial legislation through the Lok Sabha, the Lower House of Parliament, by using a whip to his ruling Congress Party, many members of which had made it plain that they would otherwise have opposed it.

Arif Mohammed Khan, resigned from the cabinet when it was introduced to parliament last February.

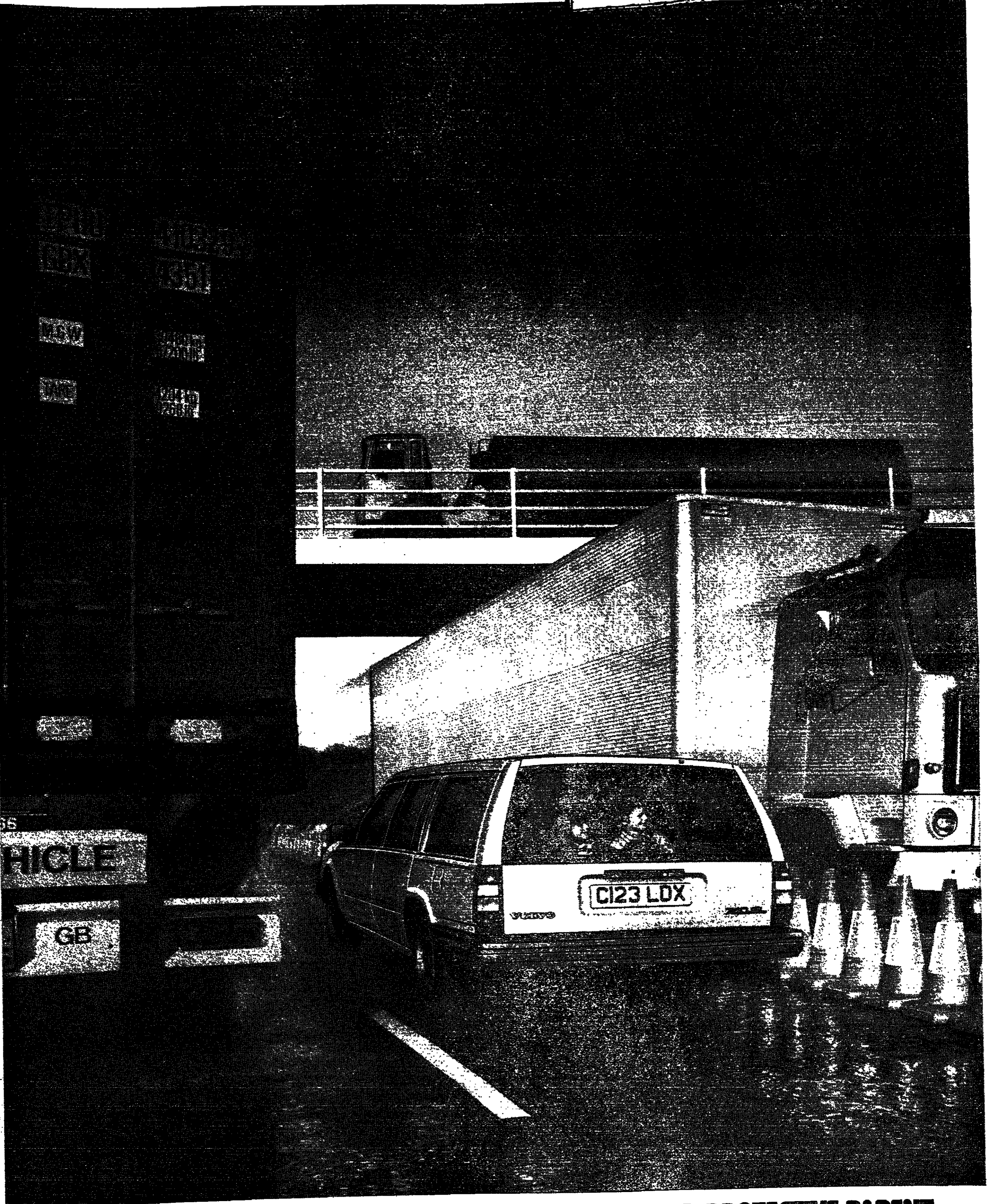
The bill seeks to reverse a supreme court judgment which ruled that indigent Moslem women could claim maintenance (alimony) under Indian criminal law from their former husbands. Moslems claim this violates their personal law and the bill now passed shifts the onus of maintenance for the divorced women to her relations or, if they cannot provide it, to state Moslem religious boards.

Sudan assembly split SUDAN'S newly-elected assembly broke up in confusion yesterday for the second time in only 10 days with southern parties staging a walkout, highlighting again the political and religious split between north and south.

More than 85 per cent of the 103m population, which is growing at a dangerously high rate of 2.6 per cent a year, are below the poverty line and only 33 per cent of the adults are literate. The economy is heavily dependent on foreign aid which accounts for over 40 per cent of total government resources, 50 per cent of investment, and 55 per cent of import payments, this means that agencies such as the World Bank and International Monetary Fund try to have a major say in economic policies, but progress is hampered by poor and often corrupt administration. Businessmen complain that President Ershad's early interest in boosting the private sector and industrial efficiency has faded as he turned his attention to rural administrative reforms.



صكنا من الاميل



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Driving has never been such a hazardous business. Today, there are twice as many vehicles on the road as there were 20 years ago. But only 10% more roads. With the result that there are now 95 vehicles per mile of road, and a staggering 11,600 vehicles per mile of motorway. Never has a Volvo made more sense. The 740 Estate pictured here is built around our famous rigid steel safety cage, with impact-

absorbing crumple zones front and rear. As well as the two seat belts in the front, there are three in the back. And if you have young children, you should have one of our rear-facing child seats. It seats two, and is equipped with integral head restraints and 3-point seat belts. In the event of a frontal collision, the impact is absorbed by the seat back instead of the seat belt. The 740 Estate doesn't just help you survive

accidents, it helps you avoid them in the first place. Its 2.3 litre engine produces maximum torque in the mid-speed range. Which means overtaking isn't such a risky undertaking. That, together with rack and pinion power steering and dual circuit servo-assisted brakes, makes the car ideally equipped to steer clear of trouble. And these days, there's an awful lot of trouble to steer clear of.

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THE NEW VOLVO 740 AND 760 ESTATES. PRICES FROM £11,237 TO £18,365 INCLUDING CAR TAX AND VAT (DELIVERY AND NUMBER PLATES EXTRA). AUXILIARY REAR SEAT £369 INCLUDING FITTING FINE VAT. CORRECT AT TIME OF GOING TO PRESS.

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Since their inception the S-class and SL have always been the total embodiment of the classic Mercedes-Benz ideal that began the first century of motoring: the best, or nothing.

A fine balance of what is possible, what is desirable and what is expected. Many things are now feasible that were just emerging as bold ideas when the second generation S-class went into production over six years ago.

A change of pace, but not a change of direction.



THE NEW MERCEDES-BENZ S-CLASS, SEC & SL MODELS

And today's S-class and SL models demonstrate how the new thinking that Mercedes engineers have taken on board relates to real progress rather than the dictates of fashion.

For this top-of-the-range series a completely new six-cylinder 3-litre engine has been developed alongside a new 4.2 V-8 unit and the proven 5 litre engine.

The new engines are more powerful and more silken than before.

Fine tuning of the S-class suspension has resulted in an even higher degree of smoothness and stability (rear seat passengers are now in for a quieter and more stress-free ride than ever).

The exterior, too, has become subtly more in tune with the air flow.

The observant will notice a deeper front spoiler, smooth side mouldings, and integral fairings that reduce drag and lift forces still further.

In all, the new S-class and SL range has a specification that goes significantly beyond the previous one.

Yet, reassuringly, very little appears to have changed at all. Which proves that consistency of direction is the surest way of achieving progress.



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Engineered like no other car in the world.

THE NEW SE & SL HAVE 3 ENGINE OPTIONS: 300, 420 OR 500. THE NEW SEL & SEC HAVE 2 ENGINE OPTIONS: 420 OR 500. LATER THIS YEAR, 560 SELs & SECs WILL BE AVAILABLE.

TENSE, NERVOUS HEADACHE?



**LONDON
HEATHROW**

A curious ailment seems to affect those who fly via the airport on the left. Confusion, stress, loss of direction. It's known to the cognoscenti as Heathrowitis.

Other sufferers describe it as airport lag.

Flying via the airport on the right has the opposite effect on the traveller. Passengers experience a feeling of well-being. A soothing, unruffled sensation.

A mere half hour from Central London by non-stop trains every 15 minutes, you go straight into a single airport terminal for all departures.

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**LONDON
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It's the perfect antidote for the business traveller. And also a convenient gateway to 111 worldwide destinations.

An added tonic is that Gatwick is the home of British Caledonian. Who, as you know, never forget you have a choice.

Next time you're flying, and in the interests of your own sanity, remember you don't have to suffer Heathrow. **British Caledonian Airways**

The remedy is obvious.

We never forget you have a choice.

Hopefully, in all departments.

It's not that Owen Owen's 21 department stores aren't profitable or well run.

It's just that for some years now they've lacked some of the investment necessary to improve their performance.

Since our agreed takeover in November 1985, however, things have begun to change.

We're backing the management's ambitious plans with money, experience and enthusiasm.

The first results of which will be seen in selected stores throughout Britain later this year.

What we're actually doing is giving the stores a major facelift and developing their policy of becoming a retailer of famous brands.

IN WHICH DEPARTMENT ARE WE IMPROVING THE PERFORMANCE OF OWEN OWEN?

We're also making them more fun, more exciting and, in turn, more profitable.

Since Owen Owen are in prime locations like Bath, Southampton and Basingstoke, we believe the potential is enormous.

And we're confident of lifting sales per square foot to better levels in every department.

At Halfords, Payless DIY and Zodiac Toy Shops we're also implementing equally ambitious plans.

All of which should start coming to fruition during the next twelve months.

So in all our departments, as well as Owen Owen's, we're confident that our performance will improve even further.

Indeed, you could say our lift's definitely going up.

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UK NEWS

Reform proposed of independent TV franchises

BY RAYMOND SNODDY

THE INDEPENDENT Broadcasting Authority (IBA) is considering revolutionary plans that would give television companies rolling franchises to replace the present eight-year system.

The rolling franchises would be accompanied by the removal of many of the existing barriers preventing takeover of "viable" ITV franchises in mid-franchise.

The IBA, which regulates commercial broadcasting, caused controversy in February when it blocked the possibility of a takeover of the Granada Group by the Rank Organisation on the ground that it might alter "the nature and characteristics" of a viable ITV company-Granada Television.

Last year the IBA also blocked an agreed sale of Thames Television for £250m to Carlton Communications.

Under the new suggestions, takeovers would be much easier but public-service broadcasting obligations would be rigorously enforced and individual companies might lose their franchises with less warning than at present.

The new ideas, it is believed, are being put forward by Lord Thomson, chairman of the IBA, who commented after the last franchise

round in 1980: "There has got to be a better way."

Lord Thomson plans to discuss his "better way" with Mr Douglas Hurd, the Home Secretary, in the near future.

Such drastic changes would require legislation. Two years ago, when the concept of rolling franchises was first raised, the Home Office was hostile to the idea.

The 15 ITV regional franchises are due to be advertised at the end of next year for decision by 1988.

In a separate development, Mr John Whitney, director general of the IBA, appealed last night to the Government to think again about the special levy imposed on ITV profits.

Mr Whitney told the Royal Television Society that government plans to reduce the standard rate of levy from 66.7 per cent to 45 per cent was a welcome start. But growing competition from cable and satellite television increasingly called into question the existence of a levy at all. He also attacked the present plan to impose a 22.5 per cent levy on profits of programmes sold overseas.

There was, he said, no sense in an exporting country like Britain putting an export tax on one of its high-added-value products.

Official inquiry 'will seek lessons of prison disturbances'

BY KEVIN BROWN

AN OFFICIAL inquiry into last week's prison riots is to be conducted by Sir James Hennessy, the Chief Inspector of Prisons, the House of Commons was told yesterday.

Mr Douglas Hurd, the Home Secretary, said the inquiry would report on the handling of the disturbances by prison management "to see whether any general lessons need to be learned."

Mr Hurd said the form and scope of the inquiry would have to take account of police investigations into offences committed during incidents at 17 prisons.

The night of rioting followed a ban on overtime by the Prison Officers' Association in pursuit of a claim for changes in manning levels.

Mr Hurd said it was a miracle that no one had been seriously injured during the riots. He said 13 of 50 escaped prisoners were still at large and the cost of putting right the damage was likely to run into millions of pounds.

Mr Hurd said the Government had greatly increased spending on the prison service and had "turned round" the neglect of the penal system, which had been one of the "unremarked scandals" of the 1974-79

Labour Government.

He insisted, however, that working practices in the prisons were far from satisfactory. Rapidly rising spending had not been matched by improvements in the regime for inmates, partly because of inefficiencies.

"Overtime has now reached the point where it constitutes on average 30 per cent of prison officers' earnings and, because overtime is voluntary, some officers are working in excess of 20-30 hours overtime a week," he said.

"That is not good for them or for management. It is not a situation we can prolong indefinitely."

Mr Hurd said the Government had to reassess proper control over expenditure in the prison service.

The Home Secretary said he had just received a report from a joint team of prison-service personnel and outside management consultants commissioned after discussions with the POA last year.

"The report justifies the stance of the Government as regards the inefficiency of existing systems and confirms that an opportunity exists, if new practices can be adopted, for improving dramatically the lot of both inmates and staff," he said.

BCal likely to lose London airport link

BY LYNTON McLAIN

BRITISH Caledonian (BCal) looks set to lose its fight to keep a helicopter link between the London airports of Gatwick and Heathrow.

Mr Nicholas Ridley, the Transport Secretary, told the House of Commons that he was "minded" to direct the Civil Aviation Authority (CAA) to revoke BCal's licence to run the 15-minute link. Before a final ruling, he would hold talks with the CAA. Meanwhile, he ordered BCal not to resume the service.

Mr Ridley told MPs that the environmental disturbance was "no longer justified" with the availability of coach services between the

two airports via the new M25 London orbital motorway.

Sir Adam Thomson, chairman of BCal, condemned Mr Ridley's statement. "We could be forgiven for believing that forthcoming local elections have been a force in swaying the decision towards the environmental lobby," he said.

"This is a black day for British aviation. It is surprising, disappointing and ironic that a ministry responsible for the promotion of aviation is actually curbing its potential."

BCal estimated that since 1978, when its Airlink service started, it

had earned more than £100m in revenue for UK airlines by feeding passengers between the two airports. More than 600,000 passengers had flown on the service.

BCal itself stands to lose between £5m and £8m revenue out of the estimated £14m annual revenue generated for UK airlines.

The BCal Airlink was suspended when the operating licence expired on February 6. A new licence was granted by the CAA but the service remained suspended pending Mr Ridley's final ruling.

Mr Toby Jessel, Conservative MP for Twickenham, near the flight

path, welcomed Mr Ridley's announcement. "It is outrageous that tens of thousands of people on the ground are disturbed to save 20 people 20 minutes," he said.

Mr Ridley told MPs: "I must take into account the degree of disturbance caused to those under the flight path. I am conscious that some of the environmental objections to the service are exaggerated, but even allowing for this, it remains the case that disturbance caused by the Airlink service arouses widespread and genuine annoyance and causes some distress."

MPs to hear evidence on Channel Tunnel Bill

BY MICHAEL CASSELL, POLITICAL CORRESPONDENT

OPponents of the project to build a Channel tunnel between England and France have won the chance to convince the House of Commons standing order committee that the government timetable for legislation to enable construction to go ahead should be delayed.

The Channel Tunnel Bill, which clears the way for construction of the twin-bore rail tunnel between Folkestone, in Kent, and Calais, was last week found to be in breach of Commons standing orders, having failed to meet the fixed timetable laid down for private bills.

The failure was referred to the standing orders committee, which has the power to force the Government to table the bill afresh. Yesterday, the committee said it would defer its decision on whether to permit the bill to go forward to its second reading until it had the opportunity to hear evidence from interested parties and petitioners from Kent.

The hearings are expected to be in about two weeks' time. If the

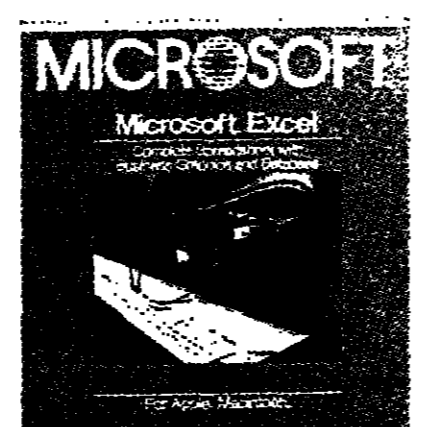
committee then takes the view that the standing orders can be dispensed with, any delay to the bill's passage will have been minimal. Any other decision might lead to a much more serious shippage and create unwelcome embarrassment for the Government over the Anglo-French project.

Tunnel opponents moved quickly yesterday to hail the committee's decision as a significant victory in their fight to slow down what they regard as the indecent haste with which the Government is pushing through the legislation.

Mr Jonathan Aitken, a Conservative MP for Kent and a leading critic of the tunnel project, said: "The Government is now starting to pay a heavy price for its frantic rush on the Channel Tunnel, which is turning out to be a classic case of more haste, less speed."

"Not only have standing orders been breached but there will now be at least a significant delay before the second reading of the bill can take place."

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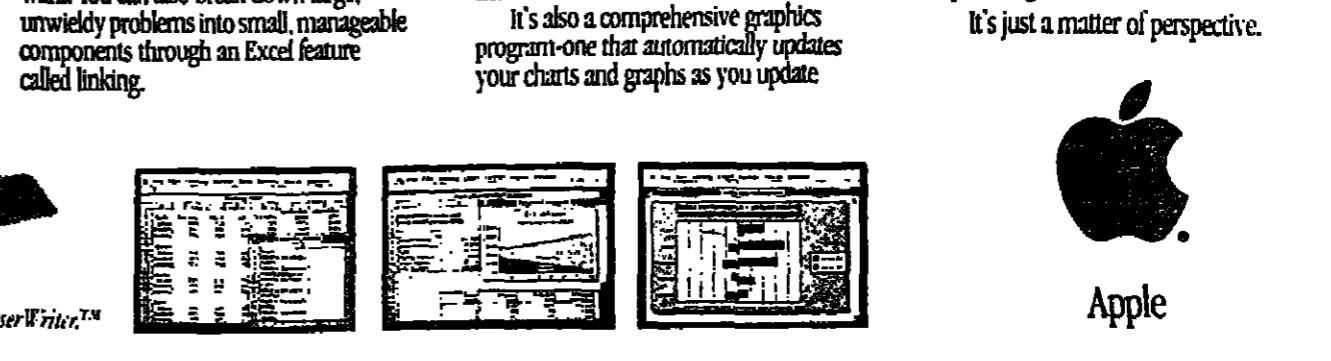
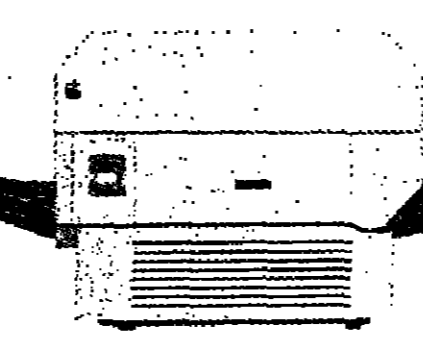
Say you've created a series of income stream spreadsheets for different divisions in your company. With a couple of simple point-and-click, you can link them all to a consolidated master income report. From then on, any updates in the division reports will be reflected in the master report. Automatically. Excel also gives you the ability to transfer documents to and from Lotus 1-2-3. So you can use all of the features that make Excel compatible with you without sacrificing compatibility with others in your office. It has 85 built-in business functions mathematical, financial, statistical, trigonometric and logical. If that's not enough, you can customize special functions of your own. Microsoft Excel also allows you to create what are perhaps the single most important time saving operations unique to personal computing. They're called macros. Macros automate the long, arduous key sequences that characterize the complexity of today's "what if?" business modeling tasks. With macros, literally hundreds of instructions can be squeezed into a single keystroke. Then played back over and over again on different business scenarios. But if Excel were just a spreadsheet, it might not be enough to cut your mountain of numbers down to size. It's also a comprehensive graphics program-one that automatically updates your charts and graphs as you update

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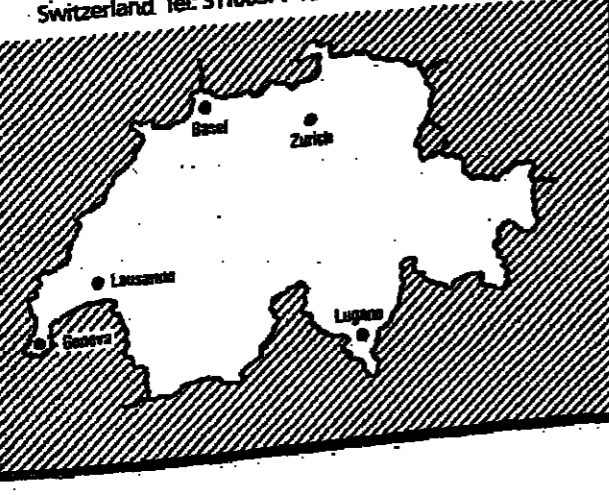


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UK NEWS

NatWest forecasts fall in base rates to 9%

BY WALTER ELLIS

UK BASE RATES might come down to 9 per cent before the end of this year - well below previous expectations - according to Mr David Kern, chief economist at the market intelligence department of National Westminster Bank.

Mr Kern says, in the May issue of the bank's Economic and Financial Outlook, that rates might fall further to 8% per cent in the first half of next year, giving averages of 10% per cent this year and 8% per cent in 1987.

Rates for the five years from 1987-91 should average around 9 per cent, he adds, against a forecast UK

average inflation rate for the period of 5 per cent.

Acknowledging that his forecast of real interest rates of 4 per cent to 4% per cent in 1987 might appear too high, Mr Kern argues that three factors indicate that the resultant gap between interest rates and inflation is realistic.

"Firstly, the period of financial deregulation into which we are now moving may be associated with higher real rates than would be the case in a regulated system," he says.

"Secondly, political uncertainties in the run-up to the [general] elec-

tion, and a possible tightening of monetary policy in its aftermath, may also necessitate fairly high real rates.

"Finally, as government policy to combat unemployment will tend to involve an increasingly strong fiscal stimulus, a necessary implication is the maintenance of high real interest rates to finance the resulting budget deficit."

Sterling, Mr Kern estimates, will ease to \$1.40 (down 8 per cent on yesterday's level) and to DM 3.22 (down 5 per cent) by the end of this year. The dollar over the next few months might weaken, he says.

RESEARCH BODY ADVOCATES GROUP OF 'WISE MEN' TO EXPLOIT INDUSTRIAL POTENTIAL

Drive to harness scientific opportunities

BY DAVID FISHLICK, SCIENCE EDITOR

A NATIONAL scheme for identifying and selectively supporting economically valuable scientific opportunities at an early stage of research is proposed in a report from a team of government technical advisers, published yesterday.

The report from the government's Advisory Council for Applied Research and Development (Acad), has the support of Mrs Margaret Thatcher, Prime Minister, who, in a letter published with the report, says she welcomes its proposals for improving Britain's economic performance. She said some countries seemed to act more quickly than Britain in identifying

new areas of industrial potential, and acting on them.

The report, on the exploitable areas of science, is the work of an Acad sub-committee headed by Dr Charles Reese, research and technology director of ICI, the industrial group.

Its main recommendation is that a process should be established for identifying exploitable areas of science, which have some certainty of continuity.

It rejects the notion - "widely accepted in the United Kingdom" - that research cannot be organised to deliver economic return.

Other countries did not accept it,

but believed science was "now so important to a country's future that some attempt must be made to structure support and achieve more effective exploitation of science."

Past levels of support for UK science had been the desirable result of prosperity and their fruits tended to give benefits worldwide rather than to the UK, Acad forecast. "Additional economic success will be built on the foundations of scientific knowledge and capability."

The challenge, therefore, was to use the considerable national investment in scientific ability for the

national benefit. At the same time, Britain needed to increase its exploitation of research and development overseas.

Unlike other countries with a prominent technical capability, Britain had no national forum in which opportunities might be identified early, and priorities agreed for funding chosen ones.

The study singled out specifically the Japanese with their long-term plans for basic science, and the French, with their national synthesis for identifying priorities and winning commitment to them.

The mechanism Acad envisaged for Britain consists of a group of

"wise men" drawn from all walks of British science and technology, who would have at their disposal a database summarising the national portfolio of research talent and opportunities.

Dr Reese believes the aim of the forum should be to chart a pattern of economic policy founded on technical achievement for 10-20 years ahead, within which individual organisations would be free to plot their own courses.

Exploitable areas of science. Report of the Advisory Council for Applied Research and Development HMSO, £1.90.

Public-sector pay rises 'outstripping industry'

BY PHILIP BASSETT, LABOUR EDITOR

PAY settlements in the public sector are outstripping those in private industry, according to new pay analysis. Another study suggests that the range of settlements is narrowing to increases of around 6 per cent.

Industrial Relations Services, a pay-research company, suggests in its latest analysis of pay settlements that, for the first time since the early 1980s, public-sector pay is rising faster than that in the private sector.

IRS says that, based on settlements over the 12 months to April, weighted by employee numbers, the median increase in the public sector was 7 per cent, compared with 6.5 per cent in private-sector companies and 5.9 per cent in industry-wide agreements in the private sector.

Comparable figures for a year ago put public-sector increases at 5.6 per cent, rises in private industry at 5.3 per cent, and company increases in the private sector at 6.2 per cent.

IRS says that an important factor pushing up the public-sector figures has been the 8 per cent increase for nearly 1m local-authority manual workers. Other public-sector employees, such as teachers in England, Wales and Scotland, and security manual workers, have been securing increases above the level of previous years.

In a separate analysis, Incomes Data Services, another pay research body, says that first indications of settlements in April - al-

ways a crucial month in the pay bargaining calendar - show for the first time signs of a narrowing range of deals.

IDS has for some time identified a "going range" of settlements of 5 per cent to 7.5 per cent. In its latest pay analysis, it sees a closely bunched range of 5 per cent to 6.5 per cent, with a cluster of deals around the 6 per cent mark.

While IDS says that pay settlements are clearly anticipating the lower level of inflation expected during the second quarter of 1986, it suggests that basic rate increases are still going to be running up to 2 percentage points above inflation.

Signs of increasing stability in pay bargaining are clear in a survey of managers and trade unionists published yesterday by the industrial-communications company Epic.

Epic charts a sharp increase among managers and trade unionists who believe that current settlement levels will continue for several years.

There is a notable degree of confidence about the UK economy, with an increase of 23 percentage points among managers and 8 percentage points among trade unionists in the belief that the economic climate will improve.

Pay and Benefits Bulletin 158, IRS, 67 Maygrove Road, London NW6; IDS Report 472, IDS, 193, St John Street, London EC4; Industrial Relations Opinion Survey, April 1986, Epic, 7 Leicester Place, London WC2. All by subscription.

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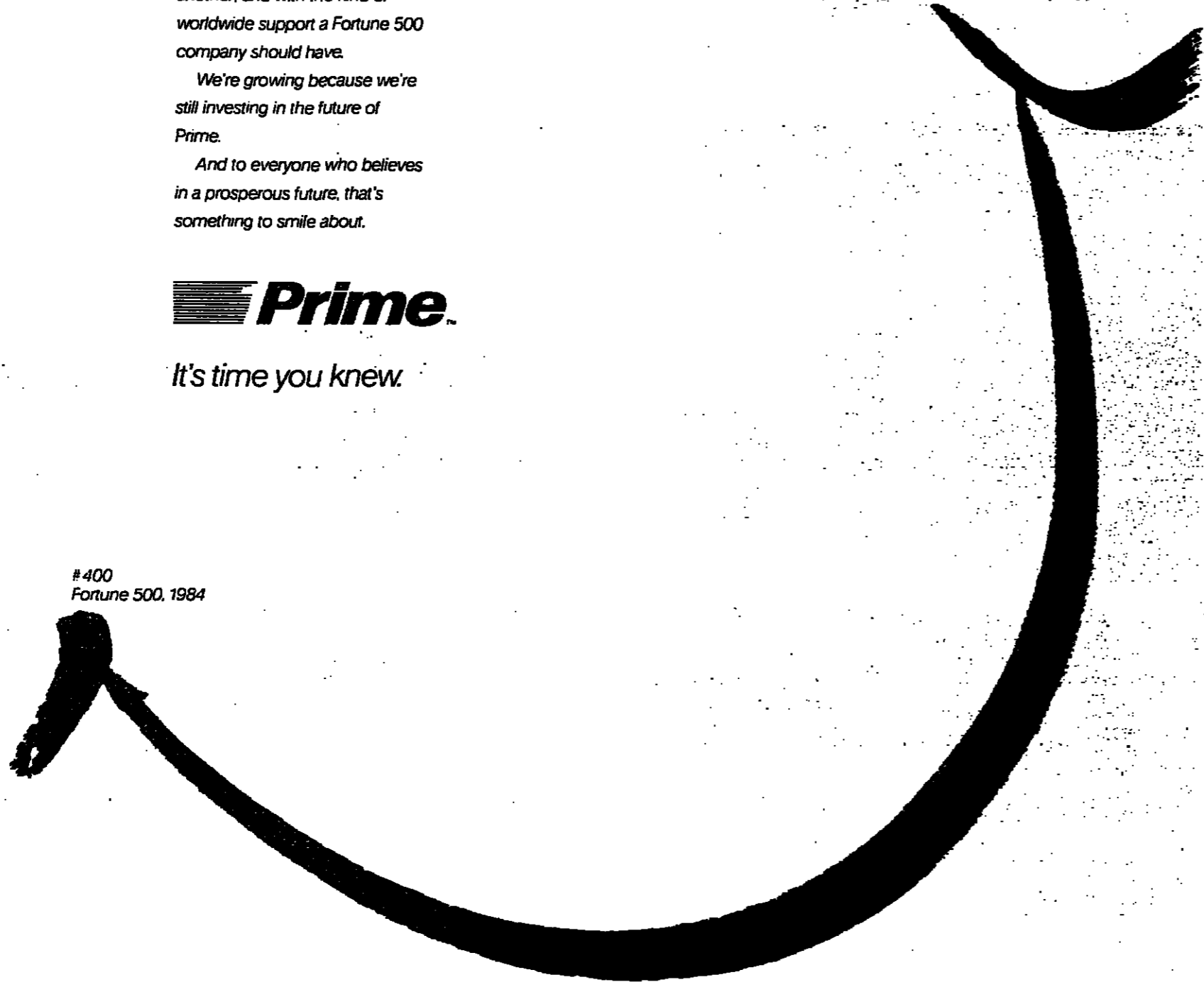
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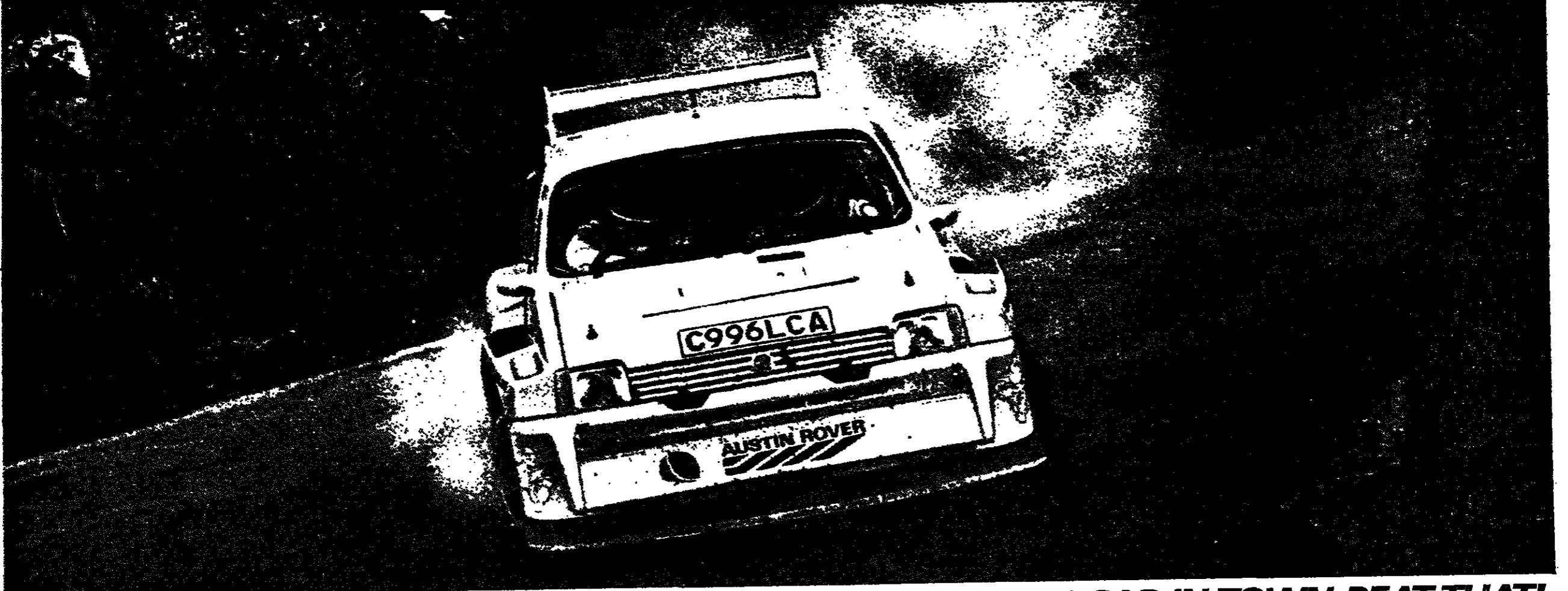
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FINANCE AND ENERGY

Royal Bank of Canada rings the changes

SENIOR MANAGERS at Royal Bank of Canada (RBC) still enjoy the small luxuries of having their shoes polished at the office each morning and visiting the bank's private club in Toronto and Montreal. However, other things at Canada's biggest bank are changing.

Mr Allan Taylor, 53, takes over as chairman on June 1 from the doyen of Canadian banking, Mr Rowland Frazee, who is retiring. On the same day, a restructuring of the bank's top layers of management will be put in place in what Mr Frazee describes as "a more important change than would appear on the surface." The bank also expects to name a new chief executive within the next few weeks to Orion Royal Bank, its London merchant bank subsidiary.

These changes, and others in the pipeline, are a recognition that RBC — created 117 years ago by Halifax merchants to finance trade with the US and the Caribbean — needs a more modern and sharper approach if it is to retain its position among the world's leading international banks.

The Canadian bank's strengths are not to be underestimated. It already has a solid and diversified international presence through its branch network, its stake in Orion, a new joint venture in Australia and its wholly-owned subsidiary Kheat and Aiken, the London securities firm.

In Canada, where domestic retail banking continues to provide the rump of its global profits, RBC claims that it may be the only bank that has gained market share in personal savings in recent years. It plans to install another 200 automated teller machines this year bringing the total to 1,100.

The bank's financial performance has been solid, though by no means spectacular, and it has gradually strengthened its capital base in recent years. Earnings of C\$140.4m (US\$107.2m) in the three months to January 31 gave it a return on assets of 0.58 per cent and on equity of 14.5 per cent, putting it roughly in the middle of Canada's six leading banks. Assets stood at C\$96.5bn on January 31, 5 per cent higher than a year earlier.

But recent events have made management and investors cautious about prospects. "We're going to come through

this year quite nicely," Mr Taylor says. "I think it's 1987 when we have to start worrying about Canadian banks."

The survival of North America's fifth largest bank is not in doubt, but low oil and gas prices have cast a long shadow over growth prospects. Just over 8 per cent of RBC's domestic loans are to the mining and energy industries. Put another way, 30 per cent of its Canadian business is in the prairie provinces of Manitoba, Saskatchewan and Alberta, where weak oil, gas, wheat and coal prices have recently darkened the economic outlook.

Referring to oil prices, Mr Taylor says that "we're sleeping easily at \$18 and \$20 a barrel. At \$10, there are quite a lot of problems out there for our customers."

The bank has an exposure of about C\$300m to the debt-laden

Bernard Simon reports on a management reorganisation designed to give Canada's biggest bank a sharper approach to competition at home and abroad

producer Dome Petroleum and has taken substantial equity positions in several troubled oil and gas companies as part of financial restructurings.

The problems are clearly reflected in the bank's recent quarterly results. It has raised its 1986 loan-loss estimates to a record C\$800m, 17 per cent higher than last year. Bad debt provisions, calculated on the basis of a five-year moving average and charged against income, jumped by 21 per cent from a year earlier.

Besides the expected difficulties with some domestic customers, Canadian banks are also raising provisions on loans to a group of 32 troubled sovereign risk borrowers. RBC has an exposure of C\$2.5bn to Mexico and Venezuela, equal to 2.6 per cent of its total loans.

On another front, Royal Bank's takeover of Orion four years ago has been clouded lately by tensions between the entrepreneurial spirits in London and the more cautious commercial bankers in Toronto. RBC was not sorry to see

Mr John Abell depart late last year, but like many other London institutions, Orion has also lost several experienced traders.

Mr Taylor predicts that within 18 months of London's big bang "there'll be a few bodies lying around, and we don't expect to be one of those bodies." He says that Orion's recent slippage in underwriting rankings "bothers me a lot less than what the bottom line is from those activities."

The Canadians are confident that RBC and Orion can co-exist, building on each other's strengths. "It takes some discipline on our part," Mr Frazee says. "But we're learning and they're learning."

While Orion provides flair and drive, Royal Bank has size and reach. According to Mr Taylor: "Royal Bank of Canada, our client base and the activities that revolve around the Royal Bank's name would be a very big plus to Orion."

RBC is keen to expand its investment banking activities, especially in the top end of the corporate market. The forthcoming organisational changes, modelled on those at Morgan Guaranty, will include closer links between treasury, global corporate banking and the merchant and investment banking divisions.

Expansion in the investment banking field is hampered, however, by the Canadian bank act's ban on domestic corporate underwriting by banks. Hopes of having this prohibition lifted are tempered by political sensitivity towards the six big banks' dominant position in the domestic financial services industry.

As Mr Taylor puts it, "to explain C\$488m dollars in profit takes some doing."

The ban on domestic underwriting has not stopped several of the big US banks from setting up investment banking divisions in Toronto.

Mr Taylor is expected to be more active in day-to-day management of RBC than the statesmanlike Mr Frazee. He has worked for the bank since joining a branch in his Saskatchewan home town at the age of 16. He is determined to press the bank's case with the Government and the public, noting that "probably the most important thing for our bank is to retain the position we have as the leading financial institution in Canada."

Venezuelan oil group merges subsidiaries

By Joe Mann in Caracas

PETROLEOS de Venezuela, Venezuela's national oil company, has announced a major reorganisation which will merge two of its petroleum operating units, Corproven and Meneven, into a single concern, Corproven. Interven, a new unit, will manage the group's joint ventures in the US, West Germany and Sweden.

The purpose of the merger is to enhance efficiency in the state-owned oil industry by avoiding duplication among the operating subsidiaries. PDV is one of the world's largest oil companies. In 1985 it earned after-tax profits of \$1.77bn on total revenues of \$14.9bn. PDV last year produced an average of 1.55m barrels a day of crude oil and exported an average of 1.37m b/d of crude and products.

Interven will have control of PDV investments outside Venezuela, including joint ventures with Citgo, Champlin and Steuart in the US, Veba Oel in West Germany and Nysag in Sweden. Since January, PDV has announced investment in foreign refineries, distribution systems and other assets totalling around \$420m.

As a result of the reorganisation, PDV, a holding company, now has nine subsidiaries: Maraven, Corproven, Lagoven, Interven, Pequiven, Satep, Sariven, Isla and Carbozulia.

Maraven, Corproven and Lagoven are PDV's oil operating units. Interven will oversee overseas interests. Pequiven is the state-owned petrochemicals company, while Satep is the industry's research and development unit.

Sariven handles the industry's overseas purchases of equipment and materials, while Isla (set up late in 1983) runs the former shell refinery on Curacao on a contract basis.

After Venezuela nationalised all foreign oil companies in 1976, there were 14 operating companies. Over the years, these have been reduced to three. Before nationalisation Lagoven was an Exxon subsidiary Maraven was a Royal Dutch/Shell unit, Meneven part of the Gulf group and Lagoven a Mobil subsidiary.

Handwritten note in Arabic script: "سكوتات لاجل"

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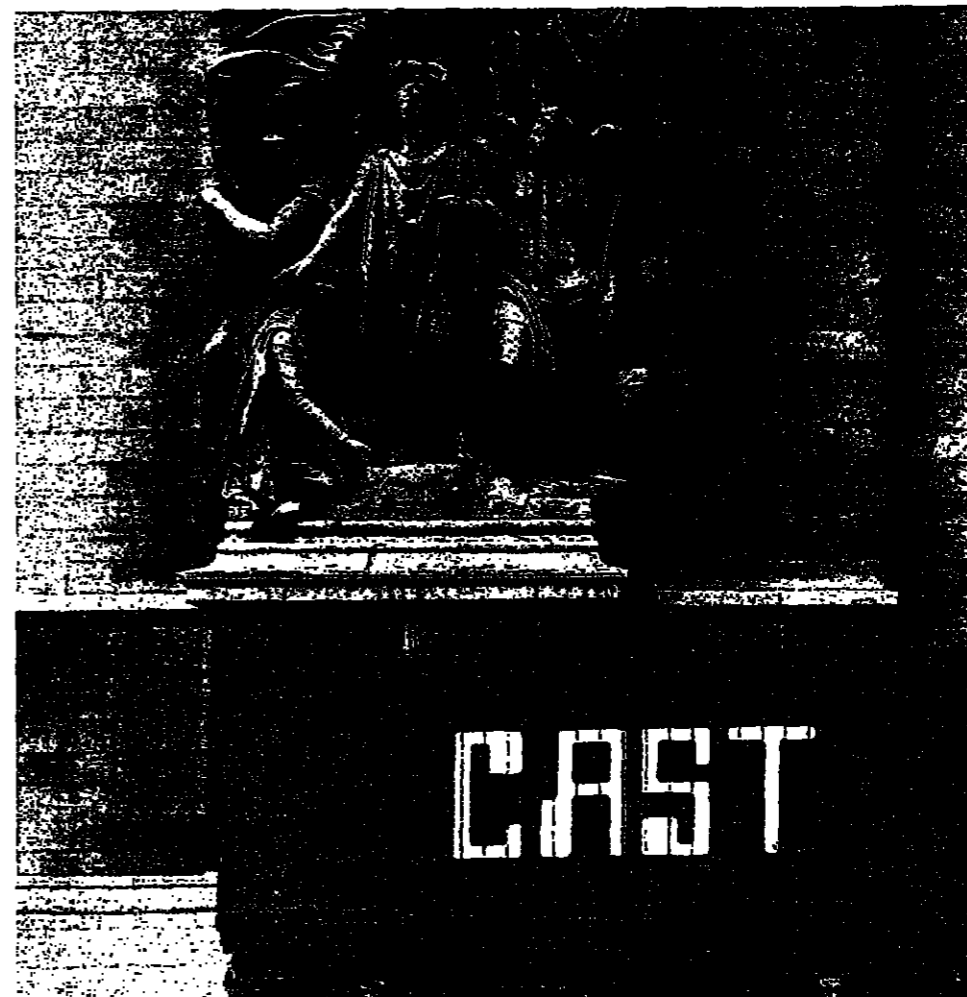
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THE ARTS

Television/Christopher Dunkley

The high life of Martini Vice

At first sight Miami Vice looked like merely the latest in an endless line of police series which have been arriving from across the Atlantic for more than 30 years.

But the central relationship of Miami Vice—crime fighting—was so hackneyed, and the central partnership of such a familiar sort, it took a while to realise that in other, far more significant, respects the series is revolutionary.

What seems to be occurring is a reaction against the ugliness of all those series from the Sixties and Seventies which followed the police characters out into the streets of Los Angeles or New York and showed us the realities of the decaying urban surroundings in which so much crime was committed.

Appearance and style are paramount. Take the matter of guns, which are still used a lot: instead of being concealed and brought out only in emergency, they are toted around with supreme casualness.

Directors exploit the strength of that composition over and over again. In recent episode Crockett and Tubbs, with huge machine-guns, were carefully positioned on the stern of a speedboat so that they formed the top-left-to-bottom-right diagonal.



Trendy: Philip Michael Thomas (left) and Don Johnson in Miami Vice. It is really a sign of the times... The opening episode even suggested that it may be the best (because most honest and open) drama series yet to look like Miami Vice.

How Green Were My Values/Second City, Chicago

Chicago's local groups have made a significant contribution to the city's first international theatre festival, as reported here on Saturday.

Michael Coveney. The Chicago company contains one performer, Richard Kind, who is noisily bent on becoming another Chevy Chase, and another, Dan Castellaneta, who is skilful and emancipated.

By sheer good luck on my last night in the windy city I caught the opening of a congenial new jazz club, DaVinci's Music Gallery, a former Polish restaurant in the Puerto Rican quarter, unforgettably christened by Stan Getz on his wait.

South Bank Celebration/Festival Hall

The new South Bank Board lavishly celebrated the commencement of its reign over the Royal Festival Hall, Queen Elizabeth Hall and Purcell Room on Saturday evening with a sequence of classical music performances in the first of those venues, and late-night cabaret and jazz in the other.

Paul Driver. The harmonies with a satisfying ping, the easily carried lines always clear, the flugel horn and trumpet solos in style—and Birtwistle's own unfolding of his austere lyrical Grimethorpe Aria allowed one to grasp without undue difficulty its ternary form.

Domus/Wigmore Hall

This young piano quartet, which takes its name from the geodesic dome it uses as its rehearsal space, has been making an excellent name for itself in the metropolitan sense too.

David Murray. The evening's fare was designed to satisfy all tastes. Marginal and modernist taste having been acknowledged, more conventional appetites were whetted with a dainty dish: the Academy of Ancient Music's Eroica symphony on authentic instruments directed from the (wholly inaudible) keyboard by Christopher Hogwood.

antily to the "gypsy" Finale, and throughout they balanced piano and string weight even better than in their Dvorak (much better than many an ensemble with piano in the Wigmore). In the middle of the intermezzo they seemed curiously unpersuaded, and in the opening movement, they aimed at a hushed, respectful intensity that deprived it of its Allegro character and most of its muscular thrust.

Arts Guide

Table with columns for Theatre, Music/Monday, Opera and Ballet/Tuesday, Theatre/Wednesday, Exhibitions/Thursday, and May 2-8. Includes listings for various venues like the Royal Opera House and the National Theatre.

Arts Guide

Arts Guide. Music/Monday, Opera and Ballet/Tuesday, Theatre/Wednesday, Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Arts Guide

Arts Guide. May 2-8. Includes listings for various venues like the Royal Opera House and the National Theatre.

BASE LENDING RATES table with columns for bank names and interest rates.

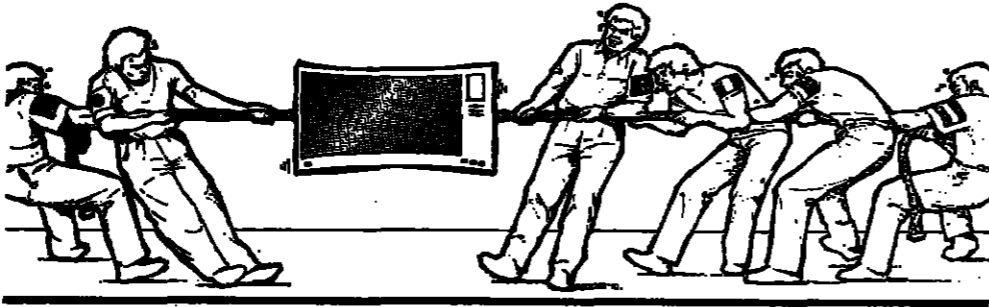
BASE LENDING RATES table with columns for bank names and interest rates.

BASE LENDING RATES table with columns for bank names and interest rates.

TECHNOLOGY

Raymond Snoddy on the politics at play behind plans for high definition television

Battle hots up over new TV standard



DELEGATIONS of television engineering experts from more than 70 countries will gather in the medieval Yugoslav city of Dubrovnik later this month to determine what the television set of the future should be like.

The debate is turning out to be as sharp as the pictures on offer and looks like shattering the peace and civility of the intricate world of television engineering at the CCIR session, where consensus is traditionally sought and the last vote was called for 23 years ago.

To the casual eye the issue before the plenary session of the International Radio Consultative Committee (CCIR) could not seem more abstract. Should a Japanese high definition television (HDTV) standard for producing programmes of 1125 lines and 60ertz (cycles a second) be accepted now as a single world standard even though each country has its own television sets to receive the signal?

The Japanese have received powerful backing from the US and very late in the day the Europeans have woken up to the fact that acceptance of the Japanese standard might hand the future of the television equipment industry on a plate to the Japanese for the 1990s.

Under way to try to produce sets to receive the 1125 line picture. Britain's Department of Trade and Industry decided it would vote against the standard being accepted now after taking advice from Pactel, the consultancy firm.

When they are to be shown on existing 625 line television (525 in the US and Japan) at the US National Association of Broadcasters exhibition in Dallas last month more than 25 manufacturers showed equipment based on the 1125/60 Hz standard deriving from wide-screen picture monitors to cameras and graphics generators.

The Europeans have been concentrating on an evolutionary approach, emphasising a transmission standard called MAC, which has been adopted by the European Broadcasting Union.

Japan looks to share more of its technology. JAPAN INFORMATION Centre of Science and Technology (JICST), a Japanese Government agency, is to provide information in English about the country's science, technology and new products.

Automatic cash withdrawal while at work. EMPLOYEE WAGES can be paid, or each employee can simply draw sums of cash on or near the shop floor or office, using an in-house cash dispenser from Inter-Innovation, the Swiss firm.

DRAMATIC IMPROVEMENT IN PICTURE QUALITY. THE HDTV standard proposed by the Japanese and the Americans has four main characteristics which distinguish it from existing television systems.

Although transmission of a high definition signal to HDTV sets in individual homes still seems a long way off, complete HDTV production systems are already on the market.

Engineers at Britain's Independent Broadcasting Authority have developed a system called Enhanced MAC for use with DBS satellites.

TELEVISION CAMERAS using microchip imaging devices and costing from £1,000 have been introduced in Europe and the US by Sony.

Financial Times Conferences THE FT ANNUAL GOLD CONFERENCE London - June 18 and 19, 1986

THE FT MOTOR CONFERENCE Geneva - May 28 and 29, 1986 Vehicle distribution and marketing is the theme of the FT 1986 conference on the motor industry to be held in Geneva on May 28 and 29 at the time of SITEV.

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James Baker and US economic policy

Made in America, selling well abroad

By Stewart Fleming in Washington

THE TOKYO summit will probably be best remembered for its grand gesture against terrorism...

Mr. Baker, a 55-year-old lawyer and a politician to his bones, has speed-read the intricacies of international economic policy...

An important difference between the two policy areas, however, is that to the evident relief both of America's industrial trading partners and Mr Paul Volcker, the Federal Reserve Board chairman...

The key event was last September's agreement among the Group of Five industrial countries to devalue the dollar...

What is far less clear, however, not least because he plays his cards so close to his chest, are the longer-term implications of this accumulation of power...

What, for example, is the significance of Mr Baker's role in international economic policy-making for Fed Chairman Volcker...

Mr Baker has emerged as the pre-eminent economic policy-maker in the White House

Of are they improvising brilliantly and making the most out of a particularly favourable climate which has seen the economies of the major industrial countries converge...

Mr Baker's rise has not surprised those who watched him in 1980 first head his close friend Mr George Bush's campaign for the Republican Party...

Both see a role for co-operative government involvement in the international economic arena and on Third World debt...

of the administration of economic policy making in a newly constituted Economic Policy Council which he chairs. He has also chosen his issues carefully, setting out consciously to make his name in the field of international economic diplomacy...

In sharp contrast, Mr Baker and Mr Darman have kept well clear of the apparently intractable, and politically divisive, issue of how to reduce the federal budget deficit.

Even tax reform, an issue in which Mr Baker was intimately involved before Christmas, seems to have been occupying less top Treasury time as it has continued its tortuous route through Congress...

Mr Baker, it seems, is much less concerned that the dollar could collapse, and sees inflation as very much under control. He senses that he is looking at a golden opportunity both to allow the US currency to depreciate without slowing up the inflationary fires...



devaluation so high a political priority at a time when many US financial institutions and Third World borrowers are poised precariously. Mr Baker has narrowed further the Fed's limited ability to lean against the inflationary wind...

But there is ample evidence, not least in the evident German reluctance to succumb to American demands to grow faster and the summit's guarded endorsement of Mr Baker's latest initiative...

Some fear that already, by successfully making dollar

Why Britain must resist the lure of the EMS

By Bryan Gould

THE PRIME MINISTER made it clear last week that the swelling chorus of support for full British membership of the European Monetary System does not yet include her.

She remains unwilling to hand over to the Bundesbank the ultimate power of decision over British economic policy; and, now that we have learnt to take a more relaxed attitude to the exchange rate, she is reluctant to return to the bad old ways of placing the pound under an EMS spotlight...

Even the CBI at its most Micawberish balked at pegging the pound to the D-mark when the rate was touching DM4 to the pound. Now that the rate has slipped somewhat, they assure us, with characteristic and easy self-delusion, that we are now fully competitive with the Germans...

Moreover, the full extent of our competitive disadvantage is understated by the conversion of relative export prices into measures of relative prices of goods which we continue to be able to sell in international markets...

and which, as a result, drop out of the picture altogether because they are no longer produced and sold. Similarly, the various indices of labour costs and purchasing power parities give too favourable a picture, because they measure costs and prices across the whole economy rather than just in the internationally traded goods sector...

Even the CBI at its most Micawberish balked at pegging the pound to the D-mark

age because their cost performance here, reflecting the volumes they produce and sell, is spectacularly better than for their economies as a whole.

The Japanese, for example, saw consumer prices rise by 394 per cent between 1952 and 1979—not so very different from our own rise of 442 per cent. Over the same period, however, whereas our export unit values rose by 380 per cent, the Japanese figure was only 33 per cent...

Some proponents of EMS membership are prepared to concede that we are not yet within striking distance of an appropriate rate at which to enter. But, they say, let us assume that we could arrive at such a rate; would there not then be considerable advantages, in terms of stability and predictability, in joining?

The difficulty with making this assumption is that the whole point of joining the EMS is surely to prevent the exchange rate from finding the level at which it might make sense to join. The Chancellor, for example, having abandoned his other monetary targets in favour of the exchange rate...

apparently believes that EMS membership is necessary if that target is to be maintained. In other words, EMS membership is one further way of trying to secure that age-old objective of British economic policy—the continuing over-valuation of the pound.

Let us leave aside the oddity (made much of by Professor Alan Walters) that maintaining the pound at a fixed rate within the EMS would, if the experience of other members is anything to go by, require gyrations in monetary policy and the use of exchange controls—both of which are presumably anathema to the Chancellor. Let us also overlook the Chancellor's apparent admission that he can maintain his exchange rate target only by relying on the disciplines of the German Medium Term Financial Strategy—hardly a ringing declaration of confidence by the Chancellor in his own policy.

The real question is whether or not full EMS membership would benefit the real economy by enabling us to regenerate industry and tackle unemployment. The answer must be that it would not; indeed, it would be a positive obstacle to this objective.

This is because joining the EMS ensures that the unavoidable conflict between real economy objectives like full employment on the one hand and the exchange rate target on the other would always have to be resolved in favour of the latter. All aspects of policy—monetary, fiscal, interest rates—would have to be adjusted to accord with the exchange rate target. We should again repeat the wearily familiar course of having to deflate in order to protect the party.

The author is Labour MP for Dagenham.

Gas reserves estimates

From Mr J. Stern. Sir, — My analysis of the natural gas reserve estimates in the 1986 Brown Book leads me to rather greater reservations about these statistics than are expressed in Dominic Lawson's article ("Sombre review of oil and gas," April 30).

The much-trumpeted increase of 6.2 tcf (trillion cubic feet) in proven and probable reserves in 1984, turning into a decline last year of 2.8 tcf. Worse still, 93 per cent of the 6.2 tcf increase was in the probable category, while the same percentage of last year's decline was in proven reserves.

Last year, proven reserves of dry gas, both in the Southern Basin and elsewhere, declined. In other words that part of the resource base which is cheapest and easiest to produce and about which we should have the best knowledge, has declined significantly.

While it is understandable for the Government to maintain that the import of Slepner gas from Norway would still be in new figures, it is less and less easy for a neutral observer to support this. Dominic Lawson may be correct to say that it is in the Government's interest to create the best possible incentives to develop UK gas discoveries at a time of falling oil prices, but this was not the reason given for turning down Slepner. The reason given was that the UK reserve base was adequate to support domestic demand up to the mid 1990s without imports.

National pay scales

From the Managing Director, Reward Regional Surveys. Sir,—The Job Column of May 1 drew attention to the growing problems of maintaining national pay scales in view of the widening regional variations in living costs. It suggested that Reward recommends a reduction in pay to those in low-cost areas.

Letters to the Editor

Nothing can be further from the truth. The main problem is housing costs which are rising fast in the prosperous South-East and stagnating in many other areas. This strains a national pay scale and creates vast variations in living standards among employees in the same job.

The solution is not easy, but it can be either by an extension of the London Weighting principle, or by paying people in expensive areas further up each pay rate (but retaining the basic structure), or by using a separate structure for each location which would reflect the local and national situation.

Industrial copyright

Sir,—I refer to the letter from Mr D. W. Gee (April 29) and would appreciate an opportunity to clarify a few points. The quotation regarding loss of jobs in the spare parts industry, which he attributes to me, was, in fact made by Lord Lloyd of Kilgeran (but with which I completely concur). Lord Lloyd practised for many years at the Patents Bar, and I am confident therefore that his philosophy is realistic.

Also, I am sure Mr Gee is well aware that the compulsory licensing provisions written into the White Paper may prove almost impossible to put into practice. It therefore invites the ludicrous spectre of manufacturers effecting token redesigns every 5 years simply to regenerate their monopoly.

our EEC partners will be remains to be seen, but the proposals appear to re-establish our collision course with the relevant articles in the Treaty of Rome, which was so narrowly avoided recently by their lordships' judgment.

Let the Revenue decide

From Mr J. Hillier. Sir,—The Chancellor's Budget may have included welcome tax proposals for charities but his Finance Bill is a disaster.

The reason for the complexity of the charity provisions in the bill is that it tackles two quite different problems. In the press release immediately following the Budget speech, the need to prevent abuse by one form of avoidance, a device called "the company purchase scheme," was explained.

Those provisions have been included without the benefit of a Green Paper and consultation with charities which cover very diverse fields. Defects in drafting (and there are many instances in the bill) cannot cure fundamental flaws in the principles behind the Bill. There are two things to get clear. Philosophically, is it right to take no heed for tomorrow? Objection is taken to the accumulation of moneys rather than their immediate spending.

There is a further fundamental, conceptual problem. The Accounting Standards Committee has recently issued ED88 which is the draft statement of recommended practice on accounting by charities. The recommended accounting policy is the accruals concept. The Finance Bill is based upon the

concept of receipts and payments. The one has its feet firmly on the ground, and the other has its head in the clouds. Such a disparity inevitably means timing mismatches. The relevant articles in the Treaty of Rome, which was so narrowly avoided recently by their lordships' judgment.

My suggestion to the Chancellor is therefore that he should postpone the legislation for one year to give time for consultation and to get the principles right before the drafting is attempted. In the meantime, he should take a draconian temporary measure of narrower scope to give a discretion to withhold relief.

Expensive to work

From Mr D. Franklin. Sir,—Mr John Edmonds claims (April 30) that a single person on £100 per week salary pays £18.98 tax, £9 in National Insurance and averages £5 travel expenses. The Board of Inland Revenue Tax Tables on which our company has to deduct employees' tax and NI, calculates these figures to be £1.10 and £8.02 respectively.

Even taking Mr Edmonds's inaccurate net pay of £70.02, he and his research department can receive confirmation from DHSS offices in south London that an unemployed single person living away from home can draw up to £70 in benefits. His incentive to work is precisely 2p per week.

Mr Edmonds also claims that the 500,000 unfilled vacancies are not job vacancies but a measure of turnover of jobs. It would be equally illogical to claim that the 2m registered unemployed of less than 12 months' duration are not unemployed but simply a measure of turnover of jobs.

Unless politicians, academics and trade union general secretaries face these facts, more people will be taxed into unemployment. D. G. Franklin, 121 Kennington Rd, SE11.

Advertisement for The Bank, 16 Oraven Road, Paddington, London W2 8FZ. Includes handwritten text: 'My The Commercial Alternative Industry or Order Eighty million pounds', 'Castrol', and '31st Dec 86'.

Advertisement for The Liquid Engineers. Text: 'THE LIQUID ENGINEERS THAT'S HOW MUCH STANDS TO BE GAINED EACH YEAR BY THE COMMERCIAL AUTOMOTIVE MARKET. (THAT'S RIGHT, 80 MILLION POUNDS!) WHICH IS 3% OF THE INDUSTRY'S FUEL BILL. HOW? SIMPLE, JUST BY USING CASTROL'S TWO NEW REVOLUTIONARY OILS, DYNAMAX AND DYNADRIVE, CASH IN ON THEM NOW'.

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SECTION II - COMPANIES AND MARKETS FINANCIAL TIMES

Wednesday May 7 1986

RTS GROUP TRACTOR-TRAILER SYSTEMS... SERVING SHIPS, PORTS, INDUSTRY

BMW plans to raise DM 555m

By Jonathan Carr in Frankfurt BMW, the West German car and motor cycle maker, proposes to raise DM 555m (\$237m) through a one-for-four rights issue...

SEC ruling blow for small oil companies

By William Hall in New York US Securities and Exchange Commission (SEC) has decided not to allow oil and gas firms a temporary reprieve from an accounting rule...

MacMillan to restore payout

By Our Financial Staff MacMILLAN Bloedel, the Vancouver-based forest products group, has restored a 25 cent-a-share cash dividend...

Burroughs tries again to gain control of Sperry

Paul Taylor and Terry Dodsworth on the proposed merger in the US computer industry

MR Michael Blumenthal, the former Carter Administration Treasury Secretary who left politics to mastermind the turnaround at Burroughs, is a man of enormous determination...

caught in the crossfire between an aggressive and increasingly dominant IBM and the Japanese mainframe computer companies which IBM sees as its chief rivals...

factor in the failure of last year's merger talks between the two companies. For the time being, he claims, it will be possible to find economies worth between \$150m and \$200m a year...

Nokia plans FM 360m rights

By Kevin Done in Stockholm NOKIA, Finland's largest publicly traded industrial group, is planning to raise FM 360m (\$72.5m) through a one-for-four rights issue...

Bayer suffers drop in D-Mark sales but profits are resilient

BY RUPERT CORNWELL IN LEVERKUSEN BAYER, the leading West German chemical concern, has witnessed a substantial drop in D-Mark denominated sales...

SGS turnover rises 8.4%

BY WILLIAM DULLFORCE IN GENEVA SOCIÉTÉ GÉNÉRALE de Surveillance (SGS), the Swiss inspections service group, has started the year well with an 8.4 per cent increase in turnover...

Austria to abolish interest tax

BY PATRICK BLUM IN VIENNA AUSTRIA'S Government is to abolish its controversial tax on interest on securities and bank deposits...

Warning for nationalised groups

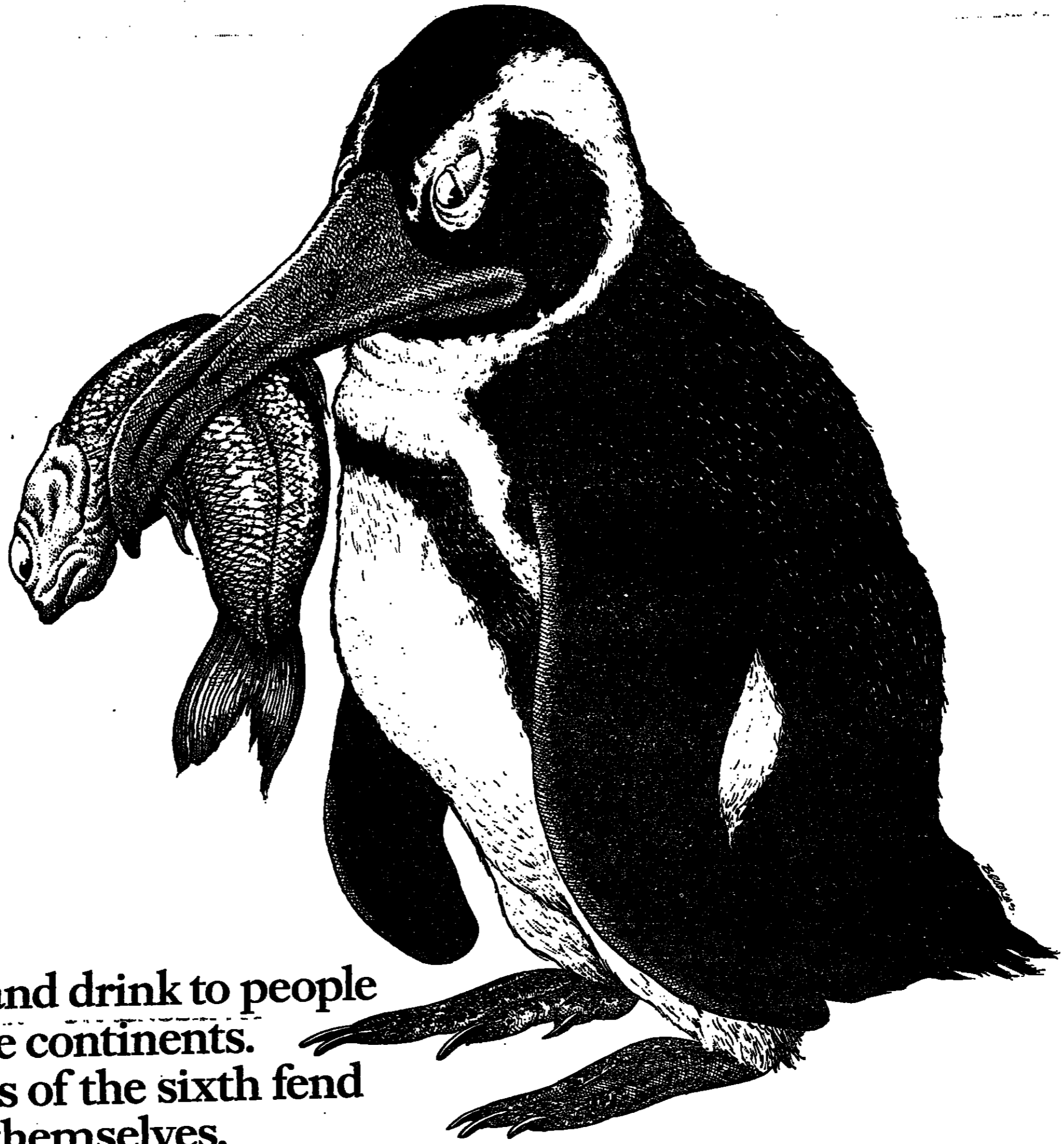
BY PATRICK BLUM IN VIENNA COMPANIES in the OIAG group, the holding company for the bulk of Austria's nationalised industries, have until 1990 to return to profits...

Canadian copper deposit sparks dispute

BY BERNARD SIMON IN TORONTO THREE leading Canadian mining companies, the Government of Kuwait and the German metals group Metallgesellschaft have become embroiled in a dispute over the mining of a valuable copper deposit...

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In the States they think Baskin-Robbins, one of the world's biggest ice cream chains, is as American as Apple Pie. Which is hardly surprising as it's run entirely by Americans.

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BIS QUARTERLY REPORT

Bank lending grows at record pace

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

INTERNATIONAL bank lending expanded at a record pace in the fourth quarter of last year, partly in response to the boom in international securities markets, the Bank for International Settlements reports today.

operations and hedging activities. Among other developments the BIS records a sharp increase in banking business denominated in currencies other than the dollar. Particularly strong was the expansion of the Euro-yen market which grew by the equivalent of \$14.5bn during the quarter. But the Euro-currency market in D-marks

the growth of Japanese banks' foreign assets in yen exceeded 100 per cent during the quarter. Second, Japanese banks are active players in securities markets, and third, the rise of the yen encouraged a large volume of covering operations by their clients which boosted their balance sheets.

countries. For example non-bank entities in Spain reduced their international banking indebtedness by \$1.1bn during the fourth quarter, but this may simply have been due to a switch in their borrowing activities into the securities market. Security issues have been used to repay outstanding bank debt but the securities themselves have often been purchased by banks, it says.

NET LENDING IN INTERNATIONAL FINANCIAL MARKETS (\$bn)

Table with columns for years 1981, 1982, 1983, 1984, 1985. Rows include Bank loans, Bond issues, Total net lending.

Source: Bank for International Settlements

A striking feature of the final quarter was the sharp, \$104bn growth in the international inter-bank market in which banks deposit their surplus funds and raise money for on-lending.

also expanded by \$10.2bn, that in Swiss francs by \$9.3bn, and even the Ecu market, which had declined in size during the two previous quarters, grew by \$4bn.

A more reliable indication comes from its figures for international borrowing through the bank and securities markets combined. These figures, which are published on a six-monthly basis, show that total net flows through international financial markets rose by \$30bn to \$100bn during the second half of last year.

The volume of Euro-note issuance facilities and commercial paper programmes grew by \$26bn during the second half of last year, for the first time exceeding the volume of new floating-rate notes which was only \$25bn.

Cedel profits up by 40.5%

CEDEL, the Eurobond clearing house, has reported a 40.5 per cent increase in net profits to \$2.7m for 1985 on turnover up 46.7 per cent to \$72.2m, reports our Euromarkets correspondent.

Austria to abolish ZEST tax

THE AUSTRIAN government is to abolish the controversial ZEST tax on interest on securities and bank deposits, Dr Franz Vranitzky, the Finance Minister, said yesterday.

The purpose was to tax the proceeds of money deposited in anonymous accounts and never declared for tax, but it has brought only limited returns to the government.

grew. The purpose was to tax the proceeds of money deposited in anonymous accounts and never declared for tax, but it has brought only limited returns to the government.

Ginnie Mae futures contract launched Little investor demand but issue activity brisk

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

The CHICAGO Board of Trade, the world's largest futures exchange, has launched a new contract allowing investors to hedge US government-backed mortgage certificates (Ginnie Mae).

NEW ISSUE activity in the international bond markets was brisk yesterday, despite the uncertain trend of secondary dealing ahead of this week's US Treasury financing operation in New York.

undeterred by lack of end-investor demand for fixed-rate dollar issues, Standard Oil (formerly Sohio) and Christiania Bank each braved the market with 5 per cent 10-year issues amounting to \$100m apiece.

rabs through Bayerische Vertriebsbank. This carries an indicated 11 per cent coupon and exercise premium of 2 1/2 per cent over the 10-year rate. A DFV \$200m bond at 108.15m, which will place it with international savings banks. Allied to this is an Eco-yen issue carries an indicated semi-annual 3 per cent coupon and a conversion premium of 20 per cent.

Officials hope the new contract, called Ginnie Mae futures, will be successfully enough eventually to supplant the ground-breaking Ginnie Collateralised Depository Receipts, initially it will trade alongside the Ginnie MCDR was the first traded interest rate futures contract, launched in October, 1975.

Standard's issue was priced by lead manager Nikko Securities at 100 1/2 per cent, while Morgan Stanley priced Christiania's issue at 100 1/4 per cent to give net margins over US Treasury issues of 70 and 77 points respectively at launch.

Both deals were regarded in the market as tight, though Nikko quoted its issue at a discount equivalent to the full 2 per cent fees, while Christiania traded inside its 2 per cent fees at a discount of 1 1/2 per cent, according to the lead manager.

The Euro market has recently been depressed by an overhang of unsold paper launched on aggressive terms that anticipated a further decline in rates. Yesterday, however, coupons returned to the 7 per cent level with two other new issues, one of Eco 50m for Citicorp and the other of Eco 25m for the Luxembourg arm of Germany's Bank fuer Gemeinwirtschaft. BNP priced the 7 1/2 per cent Citicorp paper at par, while BIC's six-year Euro issue carries a 100 1/2 per cent issue price. Lead manager is Banque Generale de Luxembourg.

Ginnie Maes are bought and sold in the secondary market by mortgage lenders, who create the certificates, back them with recently arranged mortgages. The futures contracts enable users to hedge, or speculate with, fluctuations in the mortgage rate.

More interest was shown in two floating-rate note issues. These were both for sovereign or sovereign-related names which appeal to investors at present, especially if launched on reasonably generous margins.

Both the size of the calendar and the number of issues have been increasing recently, and bankers say this reflects the growing confidence of the French authorities in the market's ability to absorb paper following the recent elections and Swedish independence. European Monetary System.

Despite their current unpopularity with investors, the Swiss market saw another perpetual issue whose interest will be paid in dollars. General Motors is issuing SF 300m through a 7 per cent deal which is priced at par by Credit Suisse. This is its first issue in the Swiss market for over a decade, and General Motors is helping to clear up the name might help. The fixed exchange rate for interest of SF 1.8335 per dollar is also lower than in previous deals.

The state-owned Development Finance Corporation of New Zealand is raising \$100m through a perpetual issue led by Merrill Lynch and carrying interest at a margin of 4 per cent over the six-month London interbank offer rate (Libor). ANAS, Italy's Housing Authority, launched a four-way \$100m issue at a margin of 1/2 point over six-month Libor through IJB International.

These were both for sovereign or sovereign-related names which appeal to investors at present, especially if launched on reasonably generous margins.

Bond prices were slightly firmer in West Germany, but trading remains sluggish and investors are not responding to new issues, which are now flowing at apace. WestLB is leading a three-year issue which itself is carrying a coupon of 5 1/2 per cent and priced at 99 1/4.

In other currencies Salomon Brothers, which carries a 100 1/2 per cent three-year, 1 1/2 per cent bond at 100 1/2 for IBM (Australia), Mitsubishi International led a ¥17bn, five-year, 5 1/2 per cent bond at 101 1/4 for Borg Warner.

FT INTERNATIONAL BOND SERVICE

Listed are the 200 latest international bonds for which there is an adequate secondary market. Closing prices on May 6

Table with columns for Country, Issued, Bid, Offer, Change, Yield. Includes US Dollars and Other Straights sections.

Table with columns for Spread, Bid, Offer, Change, Coint, Conv. Includes Floating Rate and Convertible sections.

Table with columns for Country, Issued, Bid, Offer, Change, Yield. Includes Swiss Franc and Yen Straights sections.

No information available-previous day's price. Straight Bonds: The yield is the yield to redemption of currency units, except for Yen bonds where it is in billions. Change over week or over a year.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown in parentheses. Coint = Date next coupon becomes effective. Spread (mean rate) for US dollars, C.P.M. = Current Premium. Wtd. = Weighted. Conv. = Conversion. Conv. date = Nominal amount of conversion into shares. Conv. date = currency of share at conversion per share expressed in dollars. Premium = premium of the current issue over price of acquiring shares at the end of the term of the bond over the most recent price of the shares.

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These Bonds having been sold, this announcement appears as a matter of record only.

SEK

AB SVENSK EXPORTKREDIT (SWEDISH EXPORT CREDIT CORPORATION)

U.S. \$100,000,000 7 1/2 per cent. Bonds Due 1993 Issue Price 100% per cent.

LTCB International Limited

- List of financial institutions: Bankers Trust International Limited, Banque Indosuez, Commerzbank Aktiengesellschaft, Credit Suisse First Boston Limited, Dai-ichi Kangyo International Limited, Enskilda Securities, Goldman Sachs International Corp., Morgan Guaranty Ltd, The Nikko Securities Co., Prudential-Bache Securities International, Shearson Lehman Brothers International, Svenska Handelsbanken Group, Union Bank of Switzerland (Securities) Limited.

Trading starts in Hang Seng Index

By David Dodwell in Hong Kong. TRADING in a Hang Seng Index futures contract began on Hong Kong's long-delayed futures exchange yesterday, marking the first step towards a range of financial futures contracts that are intended to breathe life into the territory's moribund commodity futures trade.

Assiduously for those who plunged into first-day trading, the Hang Seng Index rose yesterday to an all-time high. It closed at 1,838.16, for a gain of 15 points on the day.

Moevenpick raises Sfr 25m

MOEVENPICK, THE Swiss restaurant chain, yesterday raised Sfr 25.4m in the Euro-markets through the sale of 40,000 bearer participation certificates equivalent to roughly 6 per cent of its capital, our Euromarket correspondent reports.

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السوق المالية

INTL. COMPANIES & FINANCE

Defence documents value BHP at A\$9.35 a share

BY LACHLAN DRUMMOND IN SYDNEY

BROKEN HILL Proprietary, the Australian energy, minerals and steel group, has released its formal bid defence documents, asserting that Bell Resources' takeover offer is totally inadequate and presenting a valuation showing BHP is worth A\$9.35 a share. This would value the whole company at A\$11.69bn (US\$8.5bn).

Japan lifts limit on corporate borrowing

By Yoko Shimizu in Tokyo

THE JAPANESE Ministry of Finance is to allow city (commercial) banks to lend up to 40 per cent of their capital to large corporate borrowers, up from the current 20 per cent. However, bankers acceptance and guarantees, as well as loans to corporate customers' affiliates, will be considered subject to the new limit.

Martin buys Deak Perera US

BY OUR SYDNEY CORRESPONDENT

MARTIN PROPERTIES, a Brisbane financial services group, has bought Deak Perera US Inc, the US foreign exchange and precious metals dealer, for an undisclosed sum. The purchase will give Martin control of retail outlets in 42 US and 15 Canadian cities with a turnover of close to US\$750m. Martin hopes to boost turnover to US\$1bn quickly and return the operation to profitable trading.

Singapore plans company law change

SINGAPORE plans changes in company law to require more information disclosure and legal protection for companies with temporary liquidity problems.

Information would be secret, so that honestly managed companies would have nothing to fear. The new law, if passed, would require holding companies to provide consolidated balance sheets and profit and loss accounts to shareholders. Companies would have to report inter-company transactions, estimate maximum contingent liabilities, report loans to directors and outline methods of asset valuation.

The Mitsubishi Trust and Banking Corporation is pleased to announce the opening of its wholly-owned subsidiary:



Mr. M. Fujii Managing Director May 7th, 1986

Mitsubishi Trust International Limited 33 Lombard Street, London EC3V 9AJ Telephone: 01-929 2866 Telex: 945759 MTINTL G

Southern Sun hit by fall in tourism

By Jim Jones in Johannesburg

SOUTHERN SUN, South Africa's largest hotel chain, suffered an almost complete elimination of its pre-tax profit in the last financial year despite a merger which enabled it to dominate the middle and upper sectors of the hotel market. Turnover rose to R224m (\$108m) in the year to March from R130m, largely because of last year's merger with the Holiday Inns chain. Operating profit before interest and tax fell to R15m from R25.6m and a substantially higher interest bill caused the pre-tax profit to drop to R23,000 from R20.9m.

New Issue A\$100,000,000 SallieMae Student Loan Marketing Association 12.35% Australian Dollar Notes Due April 15, 1989 Bear, Stearns & Co. Inc. Bankers Trust Company The First Boston Corporation Goldman, Sachs & Co. Merrill Lynch Capital Markets Morgan Stanley & Co. Salomon Brothers Inc Shearson Lehman Brothers Inc April 1986

BANCO DI NAPOLI INTERNATIONAL S.A. U.S.\$100,000,000 Floating Rate Notes Due 1995 For the six months 7th May 1986 to 7th November 1986 the Notes will carry an interest rate of 7 1/8% per annum with a Coupon Amount of US\$367.36 per US\$10,000 Note, payable on 7th November 1986.

NOTICE IS HEREBY GIVEN TO THE HOLDERS OF EURO-CURRENCY SECURITIES ISSUED BY NESTE OY U.S.\$ 100,000,000 Floating Rate Notes due 1994 NESTE Bankers Trust Company, London Agent Bank

Taiyo Kobe Finance Hongkong Limited U.S. \$100,000,000 Guaranteed Floating Rate Notes due 1997 Guaranteed as to payment of principal and interest by The Taiyo Kobe Bank, Limited For the three month period 7th May 1986 to 7th August 1986 the Notes will carry an interest rate of 7 1/8% per annum with a coupon amount of US\$183.68 per US\$10,000 Note and US\$4,922.01 per US\$20,000 Note, payable on 7th August 1986.

This advertisement appears as a matter of record only. April, 1986 New Issue The Mitsubishi Trust and Banking Corporation (Incorporated in Japan) U.S. \$100,000,000 2 1/2 per cent. Convertible Bonds Due 2001 Issue Price 100 per cent. Mitsubishi Trust & Banking Corporation (Europe) S.A. Yamaichi International (Europe) Limited Merrill Lynch Capital Markets Union Bank of Switzerland (Securities) Limited Banque Nationale de Paris County Bank Limited Daiwa Europe Limited Robert Fleming & Co. Limited Goldman Sachs International Corp. Morgan Guaranty Ltd The Nikko Securities Co., (Europe) Ltd. Okasan International (Europe) Limited Swiss Bank Corporation International Limited Westdeutsche Landesbank Girozentrale Yamatane Securities (Europe) Ltd. Bankers Trust International Limited Baring Brothers & Co., Limited Credit Suisse First Boston Limited Deutsche Bank Capital Markets Limited Generale Bank Mitsubishi Finance International Limited Morgan Stanley International Nomura International Limited J. Henry Schroder Wagg & Co. Limited S. G. Warburg & Co. Ltd. Westpac Banking Corporation

This advertisement complies with the requirements of the Council of The Stock Exchange and does not constitute an offer of, or invitation to subscribe for or purchase, any Bonds. Wellcome WELLCOME PLC (Incorporated with limited liability in England, registered number 1955496) £50,000,000 9 1/2 per cent. Bonds 2006 Issue Price: 100 1/2 per cent. The following have agreed to subscribe or procure subscribers for the Bonds: ANZ Merchant Bank Limited Chase Manhattan Limited Country Bank Limited Hambros Bank Limited Samuel Montagu & Co. Limited Morgan Guaranty Ltd J. Henry Schroder Wagg & Co. Limited Standard Chartered Merchant Bank Limited Swiss Bank Corporation International Limited S. G. Warburg & Co. Ltd. Bankers Trust International Limited Commerzbank Aktiengesellschaft Credit Suisse First Boston Limited Lloyds Merchant Bank Limited Morgan Grenfell & Co. Limited Sanwa International Limited Societe Generale Sumitomo Finance International Union Bank of Switzerland (Securities) Limited Application has been made to the Council of The Stock Exchange for the Bonds to be admitted to the Official List. Listing particulars relating to the Bonds are available in the Exrel Statistical Service and copies may be obtained during usual business hours up to and including 9th May, 1986 from the Company Announcements Office of The Stock Exchange, London EC2 and up to and including 21st May, 1986 from: Wellcome plc 183 Euston Road London NW1 2BP Baring Brothers & Co., Limited 8 Bishopsgate London EC2N 4AE Casanova & Co. 12 Tottenhouse Yard London EC2R 7AN Rowe & Pitman 1 Finsbury Square London EC2H 2PA 7th May, 1986

سكدا من الاجل

UK COMPANY NEWS

Wellcome issue draws £4.5bn at final count

BY LUCY KELLAWAY
THE £250m offer for sale of subscribed it was clear. All obvious
shares in Wellcome, the national drug company. How things were

FINANCIAL TIMES

Battle for Distillers reopens with new £2.35bn Guinness bid

BY DAVID GOODHART
THE LEAPFROGGING battle Guinness and the
the Distillers Group

FINANCIAL TIMES

CTG chosen to build rail-only Channel tunnel

By Peter Green, Freight Editor
THE Channel Tunnel Group-France-Manche consortium has been chosen by Britain and France to build a twin-bore rail tunnel between the two countries, which could cost more than £4 billion (\$5.8bn).
link, an engineering dream for nearly two centuries, is expected to start next year.
An ecstatic CTG spokesman said in London: "We believe our project will boost communications between British between the t- sche- cre-

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CONTACT: LAWRENCE BANKS, ROBERT FLEMING & CO. LIMITED, 25 COPTHALL AVENUE, LONDON, EC2R 7DR. TELEPHONE 01-638 5858.

UK COMPANY NEWS

STOCK EXCHANGE BUSINESS IN APRIL

Equity turnover at record £18bn

BY NIGEL SPALL

EQUITY TURNOVER in April expanded to a record £18.14bn, reflecting volatile conditions in financial markets following the US/Libya conflict.

Turnover was also boosted by trading statements from top names and a £406m rights issue from Saatchi and Saatchi, the international advertising agency.

The Financial Times turnover index for ordinary shares rose to an all-time peak of 3,277.6. Although the number of deals transacted in ordinary shares contracted by 4,895 to 741,901, the average value per bargain was £2,800 higher at £24,500.

index for Government Securities rose to an all-time high of 1,640.9.

Gilt-edged prices were underpinned by both the cut in interest rates and the strength of sterling. The FT Government Securities index touched 94.51 on April 18 before closing the month 1.37 points higher at 93.35.

The rise in sterling during the month depressed South African gold shares. Standing at 290.5 on April 3, the Gold Mines index dipped to 241.2 on the last day of the month to show a decline of 42.7.

Total stock exchange turnover in April was £2,066m higher at a peak of £59,966m, and the Financial Times turnover index for ordinary securities was a record 1,837.4 compared with the March level of 1,774.1.

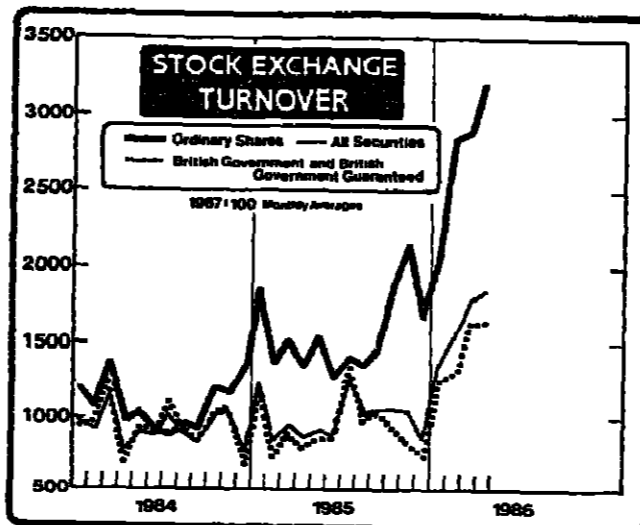


Table with columns: Category, Value £m, % of total, No. of bargains, % of total, Average daily value £m, Average bargain value £000s, Average number of daily bargains. Rows include BRITISH FUNDS, IRISH FUNDS, and Overall Totals.

APPOINTMENTS

National Westminster Bank posts

Mr Robert Robinson has been appointed a director of NATIONAL WESTMINSTER BANK'S eastern regional board. He has been chairman since 1976 of Robinson & Sons, a London-based company.

Mr Brian Jones, at present assistant company secretary of BURMAR OIL, will be appointed company secretary from September 1, following the retirement of Mr M. A. Easton.

Mr John House has been appointed a director of the main board of JARDINE THOMPSON GRAHAM. He has also been appointed a director and deputy chairman of the Racial Marketing division, in which he will be responsible for the UK department operations.

Two appointments have been made in the RACAL ENERGY GROUP. Mr Phil Penbleton becomes production director of Racial Positioning Systems and Mr Malcolm Prestwood technical director of Racial Survey.

Mr Richard Prest has been appointed chairman of FABER CASTELL. He is the fourth generation of the family to head the company. He succeeds his father, Mr Charles Prest, who is retiring.

Mr Robin Hitchcock has been appointed a non-executive director of PHILIP HARRIS HOLDINGS. He is chief executive of McKee's engineering division.

Mr I. G. Partridge has resigned from the board of EQUUS in accordance with the arrangements made at the time of the acquisition of Purdie & Kirkpatrick in November 1984.

NATIONAL GLOBANK has appointed Mr Stephen Anderson as general manager - North West region from May 7. He succeeds Mr Bill Gray, who left the company as personal assistant to the group chairman.

At the BRITISH INVESTMENT TRUST Mr J. Southcott has resigned as managing director, but remains a director. Mr Michael Usher has resigned as secretary. Mr Michael Campbell has been appointed secretary.

AGGREGATE CONSTRUCTION MATERIALS INDUSTRIES, at the annual meeting on May 1, Mr Ben Carr, chief executive of Tarmac Roadstone Holdings, was elected vice-chairman. Mr Stobart succeeds Mr David Taylor, executive chairman, Redland Aggregates, who remains a director of the federation's council.

Mr M. R. Roper-Caldbeck has been appointed executive chairman of BOUSTEAD, and non-executive chairman of its subsidiary, BOUSTEADCO SINGAPORE, on the retirement of Mr A. Charton.

WAGON INDUSTRIAL HOLDINGS has made changes to its board. Mr Paul D. Taylor succeeds Mr Peter Kinnear as chairman. Mr Kinnear, whilst retiring as chairman, will remain on the board as a non-executive director.

Mr William N. Carlisle has been appointed assistant managing director of GA GROUP. Mr Carlisle was responsible for all commercial operations of Gilbert Ash.

INTERNATIONAL SIGNAL & CONTROL GROUP has appointed Dr Simon Wilder to the group's main board. He joined ISC in February 1986 as managing director of the group's UK operations.

RENTECO NATIONWIDE (subsidiary of Freuhauf Corporation, US) has appointed Mr John Donnelly managing director and Mr Gavanagh (Gary) Vaino finance director. Crane Freuhauf Finance subsidiary of Rentro Nationwide has appointed Mr Vaino finance director and Mr John Kentenais director.

Mr David A. Greiner has been appointed a director of SMITH NEW COURT. Mr H. Samuel has appointed Mr P. J. Cummins as company secretary and Mr S. J. Power as deputy company secretary.

METLIFE (UK), a wholly-owned subsidiary of the New York-based Metropolitan Life Insurance Co, has made the following appointments to its board. Lord Aberdare is appointed chairman. He was previously vice-chairman and is

also chairman of the Albany Life subsidiary. Mr Ralph Sepel is appointed managing director and chief executive. Mr Sepel was a founder director of MetLife (UK) and is managing director of Albany Life. Mr (Mike) Granville and Mr R. H. (Bob) Wiseman Dip Jnr have been appointed to the board of MetLife (UK). Both are directors of Albany Life.

Following the sudden death of Mr Harry Sumner and the retirement of Mr Alan R. Foundit, N. C. BAILEY & CO has appointed the following directors: Mr Donald Leeson, regional marketing manager, becomes chief director; Mr Bill Crawford, financial controller, becomes financial director.

Following the retirement of Mr Crawford Black of Corroon & Black Corp, Mr Stephen Crane, finance director of Corroon & Black, and Mr Douglas Leatherdale, executive vice president of the St Paul Companies Inc, have been appointed to the board of MINET HOLDINGS. Corroon & Black Corp owns 25.2 per cent of the company's issued share capital and the St Paul Companies Inc own 25.8 per cent.

INTERFAVE has elected Mr Bernard Brogan as its new chairman. Mr Walley Briggs becomes vice chairman.

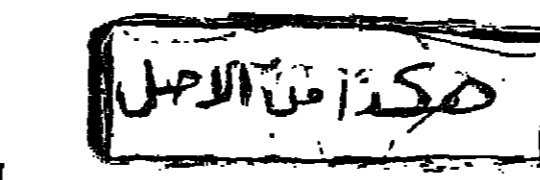
HENDERSON ADMINISTRATION has appointed the following as investment directors: Mr D. A. Collingwood, Mr I. C. Dickson, Mr R. J. Ellis, Mr D. H. Hume, Mr C. N. Lindsell, Ms Sally C. Marshall, Ms Jill A. K. Smith, Mr D. E. Taylor, and Mr S. V. Toyne.

Mr David Lambert, managing director of John Ruskin Co, has been elected president of the NATIONAL FEDERATION OF PAINTING AND DECORATING CONTRACTORS for 1986-87.

Mr Christopher Outram has been elected a vice president and partner of BOOZ, ALLEN & HAMILTON INC. He will continue to be located in London.

ARTHUR YOUNG, has appointed Mr Peter Feehan as director of corporate development for the Birmingham practice. He joins on May 1 from County Bank.

ROBSON RHODES has appointed new partners in London. Mr Nicholas Andrew, Mr Nigel Craig, Mr Malcolm Mettlan and Mrs Helen Riley. Mr Charles Moore (Bradford), Mr Shaun Mahony (Cambridge), Mr Ian Fraser (Leeds), Mr Al Barrian (Rochester) and Mr Andrew Baxter (Wolverhampton).



NOTICE OF REDEMPTION BY THE REGIONAL MUNICIPALITY OF OTTAWA-CARLETON

To the Holders of Debentures U.S. \$40,000,000 14 3/4% Debentures due June 15, 1997 Authorized by By-law Number 75 of 1982 Amount Redeemable June 15, 1986 - U.S. \$2,756,000

NOTICE IS HEREBY GIVEN THAT The Regional Municipality of Ottawa-Carleton will redeem on June 15, 1986 Debentures bearing the numbers listed below at 100% of the principal amount of each Debenture plus accrued interest to the redemption date.

U.S. \$1,000 COUPON BEARING DEBENTURES

Large table listing individual debenture numbers and their corresponding coupon amounts for redemption on June 15, 1986.

The above Debentures will be paid upon surrender of the Debentures, accompanied by all interest coupons appertaining thereto maturing after June 15, 1986, at The Bank of Nova Scotia Trust Company of New York, New York City, N.Y., U.S.A., or at the option of the holder, at the main office of the Bank of Nova Scotia, 33 Finsbury Square, London, England, EC2A 1BB, the Kredietbank S.A. Luxembourgise in Luxembourg and the Morgan Guaranty Trust Company of New York in Brussels, Belgium.

The interest coupons maturing on June 15, 1986 should be detached from the Debentures and cashed before presentation. If such Debentures are presented for payment without all interest coupons appertaining thereto which mature after June 15, 1986 the amount of the missing unmaturing coupons will be deducted from the principal amount due for payment. All interest on the Debentures so redeemed shall cease to accrue from and after June 15, 1986.

Table showing the following Debentures previously redeemed on June 15, 1986 have not been presented for payment. Columns include Debenture number and amount.

Dated this 7th day of May, 1986 J.C. LeBel, Treasurer

Advertisement for THE TOYO TRUST AND BANKING COMPANY LIMITED, U.S. \$10,000,000 Redeemable Negotiable Floating Rate Dollar Certificate of Deposit No. 000001 to 000010.

Advertisement for Sparekassen SDS, (A savings bank established under Danish Banking Law) Floating Rate Capital Notes Due 1991.

Advertisement for Bucklersbury Bank, 5th Floor, 85 Cannon Street, London EC4N 8AJ, dated 7th May, 1986.

UK NEWS

Raymond Snoddy on the world growth of electronic newsrooms
ITN carves out a high-tech niche

INDEPENDENT Television News, which provides television news for all of Britain's ITV companies, is increasingly providing electronic newsroom systems for the world's broadcasters.

Basys International, a wholly owned ITN subsidiary, seems to be cornering the market in computerised radio and television newsrooms.

More than 115 television and radio newsrooms, including two US networks, NBC and ABC, are already using Basys (Broadcast Automation Systems). Basys claims involvement in about 70 per cent of world-wide electronic newsroom installations so far.

Later this month the company will announce a contract to provide its system for one of the French national networks, and consultancy work is being carried out for ARD, the West German regional broadcaster.

About 175 affiliated NBC stations are also going to take a Basys terminal, so that they will be able to see in advance the scripts and the running order of items on the main networks' news bulletins.

Basys hopes this will lead to further orders for the system. The Basys electronic newsroom gives instant access to all news agency services on screen and automatic warnings of major news stories. It reformats scripts and the running order of bulletins without retyping and even produces scripts automatically timed to each news reader's speed.



ITN's computerised newsroom in London

Mr David Simmons, general manager of Basys and a former director of Guinness Peat International, says the system is being extended to include such facilities as pronunciation guides and assignment scheduling.

Basys software is also moving into the studio to control equip-

ment such as tape machines and graphics generators. Although the broadcast market round the world is large it is finite.

Mr Simmons is exploring ways of using its new handling expertise in City and financial institutions. He said: "We don't want to get into the dealing area because that is well taken care-

of. But we have considerable expertise on the news side."

Mr Simmons is looking for a joint venture with a financial institution to develop for the City the Basys system, which uses Digital Equipment Corporation computers.

Basys was set up in California in 1980 and its first big customers was Mr Ted Turner's Cable News Network (CNN). ITN chose the system for all three of its newsrooms and BBC Radio also bought electronic newsroom equipment from the company.

ITN bought the company two years ago when it was running at a loss and turnover was only \$700,000. Last year turnover rose to \$3m and this year \$8m is forecast.

It has turned into ITN's largest business enterprise apart from its main news gathering task. "We now dominate the big system market," Mr Simmons said.

Competitors have gone out of the business to the extent that Mr Simmons believes there is only one significant competitor left—Colographics of Wisconsin.

Briggs Amasco is a member of the Jarman Group's building and industrial products division.

ALFRED McALPINE ASPHALT has been awarded two contracts worth £3.5m. The first, worth £2.28m, comes from Gloucestershire County Council (as agent authority to the Department of Transport) and requires the reconstruction and resurfacing of the M5 motorway between junctions 8 and 10 near Tewkesbury. The second, worth around £1.22m, is for surfacing work on the A52 Barthomley Link to the M6 motorway. The 15-month contract starts in early June 1986.

WIMPEY CONSTRUCTION UK, a subsidiary of George Wimpey, has been awarded two contracts totalling nearly £3m. The City of Salford has placed a contract, valued at £2.28m, for the conversion of 200 maisonettes into 100 low-

rise houses in High Street (off Fitzwarren Street), and Edgheill Close, Salford. The work involves the demolition of the upper two storeys of 14 blocks of maisonettes, forming new pitched roofs to form low-rise dwellings. Work also includes demolition of stair-wells; construction of new porches; refurbishment of dwellings; new gardens and replacement of Services.

A second contract has been awarded by Liver Housing Association, valued at £1.45m, for the construction of 51 sheltered housing flats and a 15-person unit for the frail/elderly in Daleacre Drive, Netherton, Merseyside. The flats will be self-contained and the unit for the elderly will comprise 15 bedrooms, nine bathrooms, communal lounge, dining and kitchen facilities and staff ancillary rooms. Landscaping, an access road and drainage are included in the contract which is due for completion in June

CONTRACTS

Yorkshire by-pass

Companies within the Cementation civil and specialist engineering division of TRAFALGAR HOUSE have been awarded roadworks contracts with a value of £5.1m. The largest is the £5.1m A64 Seamer and Cross-gates by-pass in Yorkshire, to be built by Dowsett Construction as part of the Leeds-York-Scarborough trunk road. The contract includes 4 km of single carriageway road with at-grade junctions and side roadworks, plus four rail bridges and an underpass.

structure maintenance contract for South Glamorgan County Council and the second is the construction of a new rail under-bridge near Preston for the Commission for New Towns. The work is expected to take just under seven months.

BRIGGS AMASCO has won contracts worth over £1m. The largest, at £490,000, is at a new Tesco distribution warehouse at Welham Green, Hatfield, Hertfordshire, and involves 25,000 sq metres of metal-deck roofing. This will be covered by a single-layer of PVC waterproofing membrane as part of the three-month contract. Two contracts have also been awarded for metal-deck roofing on new Asda superstores at Corby, Northamptonshire (£210,000) and Edgware, London (£170,000). In the west Midlands, the company has a £220,000 contract for metal-deck and Amasoftex roofing at the Manor Hospital, Walsall.

This advertisement complies with the requirements of the Council of The Stock Exchange and does not constitute an offer, or invitation to subscribe for or purchase, any securities. These Securities have not been registered under the United States Securities Act of 1933 and may not, as part of the distribution, be offered, sold or delivered, directly or indirectly, in the United States or to United States persons.

General Motors Acceptance Corporation

(Incorporated in the State of New York, United States of America)

U.S. Dollars 200,000,000
7 per cent. Notes due May 15, 1989

The following have agreed to subscribe for the Notes:

Nomura International Limited	Sumitomo Trust International Limited
Kidder, Peabody International Limited	Union Bank of Switzerland (Securities) Limited
Toyo Trust International Limited	Credit Lyonnais
Cosmo Securities (Europe) Limited	Kyowa Bank Nederland N.V.
DSL Bank Deutsche Siedlungs- und Landesrentenbank	Swiss Volksbank
LTCB International Limited	Yasuda Trust Europe Limited

Application has been made to the Council of The Stock Exchange for the Notes to be admitted to the Official List. Interest on the Notes is payable annually in arrear on 15th May, the first such payment being due on 15th May, 1987.

Listing particulars relating to General Motors Acceptance Corporation and the Notes are available in the Exel Statistical Service and copies may be obtained during usual business hours up to and including 9th May, 1986 from the Company Announcements Office of The Stock Exchange and up to and including 21st May, 1986 from:

Nomura International Limited, Nomura House, 24 Monument Street, London EC3R 8AJ	Cazenove & Co., 12 Tokenhouse Yard, London EC3R 7AN	Chemical Bank, 55 Water Street, New York, New York 10041
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7th May, 1986

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Crown court can hear appeals against rating discretion

INVESTORS IN INDUSTRY COMMERCIAL PROPERTIES LTD NORWICH CITY

House of Lords (Lord Keith of Kinnear, Lord Brandon of Oakbrook, Lord Templeman, Lord Griffiths and Lord Oliver of Aylmerton): May 1 1982.

A RATEPAYER has a right to appeal to the Crown Court from a local authority's decision to exercise its power to reduce or remit rates on the grounds of hardship.

The House of Lords so held when dismissing an appeal by the Norwich City Council from a Court of Appeal judgment upholding Mr Justice Hodgson's decision that the Crown Court had jurisdiction to hear an appeal by investors in industry commercial properties Ltd from the council's refusal to remit or reduce the rates on an unoccupied office block.

Paragraph 3A of Schedule 1 to the General Rate Act 1967 provides that a rating authority shall have power to reduce or remit the payment of any rates if they consider that the payment would cause undue hardship.

Section 7 of the 1971 Act transferred to the Crown Court all the appellate jurisdiction of the quarter sessions.

Section 9 of the 1971 Act (now repealed by section 186 of the Supreme Court Act 1981) provided: "(2) the Crown Court (a) may confirm, reverse or vary the decision appealed against, or (b) may remit the matter with their opinion to the authority... (c) may make such other order as the court thinks fit."

LORD OLIVER said that investors were owners of Kiln House in Norwich. The premises consisted of an office block which since its completion in 1976 had been either wholly or partly unoccupied.

Investors became liable for substantial rates on the unoccupied property. On June 23 1981 it applied to the council to remit or reduce the rates under paragraph 3A of Schedule 1 to the General Rate Act 1967. The total amount involved was some £274,000.

The appeal came before Judge Moylan QC, who was called on to determine, as a preliminary point, whether the council had jurisdiction to entertain the appeal. He upheld the objection.

The matter which particularly troubled his lordship was that despite the very wide terms of section 7(1)(c) of the 1967 Act, the only express powers conferred on the Crown

Court by subsections (4) and (5) of the section were powers to amend or quash the rate. The judge was not referred to section 9 of the Courts Act 1971 which, as Mr Justice Hodgson pointed out when the appeal came before him, furnished a complete answer to any contention based on lack of power to grant appropriate relief.

Mr Justice Hodgson allowed the appeal and remitted the case to the Crown Court. From that decision the council unsuccessfully appealed to the Court of Appeal.

On the face of it the words of section 7(1)(c) were in the widest terms and permitted an appeal to the Crown Court in respect of any matter at all which the rating authority had done or omitted to do.

The question was whether in the context of the Act as a whole or from other indicia, including the history of the legislation consolidated by the Act of 1967, a limitation must be put upon the width of the words so as to exclude an appeal against the exercise or non-exercise by the rating authority of its discretionary powers.

The council's argument fell under five heads. First, it was pointed out that the Act of 1967 was a consolidating statute which was not intended to create fresh rights of appeal not in existence under prior legislation.

That proposition was beyond doubt and was common ground. Secondly, it was said that if the earlier legislation was examined, it would be found that prior to 1967 the right of appeal was restricted to appeals against the imposition of a rate and liability to pay.

Investors said the plain and unqualified words of section 7(1)(c) were entirely consistent with what, on the true construction of the earlier Acts, was a virtually unlimited right of appeal to the justices in rating matters.

That contention was correct. The legislative history indicated throughout an intention to confer on the inhabitants of the area the widest rights of appeal in rating matters.

Liability for rates was first imposed by an Act of 1801 entitled "An Act for the Relief of the Poor" which authorised and obliged churchwardens to raise money for the relief of the parish and conferred power on the justices, if parish funds proved insufficient, to raise sums from other parishes.

Section 6 provided that "if any persons shall and themselves grieved with any rate or tax... then it shall be lawful for the justices of peace at their general quarter sessions... to take such order therein as to them shall be thought convenient."

On the face of it the right to appeal was limited to the right to appeal against the valuation list and against service of a notice that a newly erected building had been completed.

There was nothing particularly surprising in these provisions for a specific appeals procedure. There was nothing to persuade one that the very wide words of 7(1)(c) must be restricted in the appeal jurisdiction.

Finally it was said that the Crown Court was an inappropriate court for hearing appeals on matters essentially of administrative discretion.

It was said that the rating authority was the only body seized of the necessary knowledge to make informed decisions.

That no doubt was true. Nevertheless, from the earliest times the legislation had conferred on ratepayers the very widest right of appeal which Parliament in enacting the consolidating legislation, had not thought fit to confine or restrict.

The imposition of further restriction was a matter for Parliament. It could not properly be introduced for the first time in centuries by a limited construction of the very wide words which the legislature had chosen deliberately to employ.

There was no context from which such a limiting construction could properly be inferred. The appeal was dismissed.

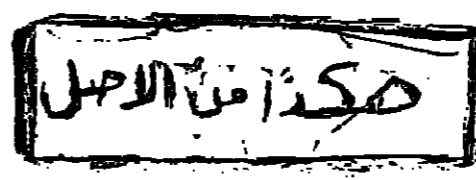
For the council: Raymond Sears, QC, and Mark Lowe (Sharp Pritchard and Co for Colin S. Brown, trustee).

For investors: William Glover, QC, and Matthew Horton (Hunt & Hunt, Romford).

By Rachel Davies Barrister

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trust, Abbey Unit Trust, Abbey Unit Trust, etc. with columns for Name, Manager, and other details.



FT UNIT TRUST INFORMATION SERVICE

FT CROSSWORD PUZZLE No 6,015

Crossword puzzle grid with numbers 1-31 and the name DANTE.

- ACROSS
1 Gets beaten, the result of smoking in bed (6)
2 One of the French not in time to take part in a Hippic movement (8)
3 Publicity wrong for counsel (6)
4 Company, salute! This is one way to do it (8)
5 He savagely attacked Roman civilisation (6)
6 Supporter likely to maintain contact (8)
7 One may take a rest with this shooting stick (3)
8 Join me in the money (6)
9 Proposition from me to her (7)
10 Strip of Dundee origin (6)
11 Prosecute for wrong use (3)
12 How to win a ballet competition? (2,6)
13 Keep a pupil in class (6)
14 Pressing need for home club (4,4)
15 It cuts things rather fine (6)
16 New circle road led to the city of gold (2,6)
17 Clue we hear, but remained virtuous (6)
18 Mint that's still wrapped? (6)
19 Lowered like a sailor given the wrong day (6)
20 About hundred new steel picks (6)
21 Transport moving about America (7)
22 Article used for tea by the French (3)
23 In trouble do be guided by someone else (3)
24 Stone Lea might replace (8)
25 Only light refreshments in court (8)
26 Listens to a note again for practice? (8)
27 Start talking of payment for suckers (6)
28 Directed higher-to where you'll find the walking patients? (6)
29 Old court official-namely one standing before the queen (6)
30 Good man with dour disposition in Gloucestershire (8)

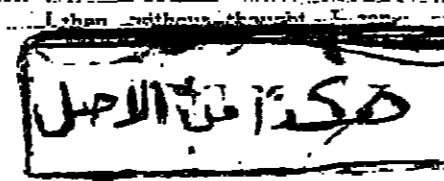
- DOWN
1 Unseemly appar made by clan at gathering (6)
2 Make minute economies? (4,4)
3 Clue ten's wrong-means eatable (8)
4 Inventor comes up, showing the Rugby match has ended (2,4)

AUTHORISED UNIT TRUSTS & INSURANCES

Main table listing various financial products, companies, and their details. Includes columns for company names, product names, and numerical values.

INSURANCES

Table listing insurance-related products and companies, including AA Friendly Society, Abbey Life Assurance Co Ltd, and others.



Handwritten Arabic text at the top of the page.

INSURANCE, OVERSEAS & MONEY FUNDS

Table listing various insurance and investment funds, including Standard Life Assurance Co Ltd, Teachers' Assurance Company Ltd, and Transatlantic Life Assur Co Ltd.

Table listing insurance and investment funds, including Baring Fund Managers (Guernsey) Ltd, Baring International Group, and Baring Management Guernsey Ltd.

Table listing insurance and investment funds, including Erolife Assurance Group, Helios Overseas Fund Ltd, and Henderson Admin. (Guernsey).

Table listing money market funds, including Warburg Investment Management Jersey Ltd, Schroder Money Funds, and Schroder Money Funds (Jersey) Ltd.

Money Market Trust Funds

Table listing money market trust funds, including The Charities Department Fund, The Money Market Trust, and Seven Arrows Fund.

Money Market Bank Accounts

Table listing money market bank accounts, including Adams & Co. plc, Standard Bank Funds, and Standard Chartered Div. Money Mkt Fund.

OFFSHORE AND OVERSEAS

Table listing offshore and overseas investment funds, including Alltech Investment Fund SA, Credit Suisse, and BWS Deutsche G. F. Wertpapiere.

Table listing offshore and overseas investment funds, including Acquisitions Generalist SA, Baring International, and Baring Management Guernsey Ltd.

Table listing offshore and overseas investment funds, including Kleinwort Benson Islamic Fd Mgmt Ltd, Kleinwort Benson Islamic Fd Mgmt Ltd, and Kleinwort Benson Islamic Fd Mgmt Ltd.

Table listing offshore and overseas investment funds, including Kleinwort Benson Islamic Fd Mgmt Ltd, Kleinwort Benson Islamic Fd Mgmt Ltd, and Kleinwort Benson Islamic Fd Mgmt Ltd.

TRADITIONAL OPTIONS

Table listing traditional options, including 3-month call rates, M. S. Tyler & Co. Ltd, and US Federal Securities Fund SA.

COMMODITIES AND AGRICULTURE

Brazil perseveres with sugar fuel scheme

BY RICHARD FOSTER

THE BRAZILIAN government is refusing to make any big adjustments in its alcohol fuel programme...

year, but its general aim is saving foreign exchange, giving cane growers a more lucrative programme than sugar...

equipment to other sugar producing countries. Brazil's so-called "Proalcool" programme raised alcohol production from 149m gallons in 1975 to more than 3bn gallons last year...

ings. But Brazilian made engines, built with corrosion resistant parts and special carburetors make alcohol perform nearly as well as petrol.

Saudi's offer contract oil discount

By Richard Johns

SAUDI ARABIA has bowed to pressure from oil customers in the face of slipping oil exports by offering contract customers discounts of at least 50 cents per barrel...

EEC casts net wide to catch E Europe food sales

BY PAUL CHEESRIGHT IN BRUSSELS

BULGARIA, Hungary, Poland, Romania, Czechoslovakia and the Soviet Union fall into the net of the import ban on selected fresh food products from within proposed by the Commission yesterday...

Table with 4 columns: Product, Annual imports, Biggest suppliers, Biggest buyer. Rows include Milk products, Meat, Vegetables, Live animals.

The difficulty up to now has been the paucity of information from eastern Europe. Only Hungary has responded to a Commission request for information on radioactivity levels.

Michael Howard, the UK's Parliamentary Secretary for Consumer Affairs, says there was no case for rushing into a blanket ban.

ments will not exclude products from another Community country unless demands there are stricter than those being applied for domestic consumption.

More wheat and dairy sales likely

BY NANCY DUNNE IN WASHINGTON

AS THE commodity markets continued to speculate about the effects of the Chernobyl disaster on agriculture prices, US analysts were predicting increased sales of EEC wheat and dairy products.

Ukrainian grain crop would force the USSR to import dairy products, along with meat, and the most likely beneficiaries would be the EEC and possibly Poland and Hungary.

US farmers could benefit, he said, because the Soviets traditionally import increased amounts of vegetable oils, like soyabean oil, to augment a shortfall in animal fat and butter production.

force the USSR to import dairy products, along with meat, and the most likely beneficiaries would be the EEC and possibly Poland and Hungary.

Brussels passes the buck

THE OUTCOME of the recent EEC debate on farm prices demonstrates once again that neither the Commission nor the Council of Ministers took the decisions, what is going on in the World markets for cereals and other commodities...

world wide is in decline, and that yield increases in developing countries will kill this trade before the century is out. I am talking of the trade in what could be called the basic raw materials of food, cereals, edible oils, sugar and manufacturing meat.

reductions and shedding labour and rearranging farm practices. Would it not be cheaper, for instance, to substitute manual labour contractors for regular labour which has to be housed and kept through the dead months?

Then again the collapse in oil prices is bound to lead to cheaper fuel and fertilizer costs. This will suit the farmer's instinctive reaction to falling prices, which is to increase output to reduce unit costs.

Nowhere have I seen any realization that worldwide cereal output is far outstripping consumption, that the US government has no option but to allow it to be exported at whatever price it can get.

This is all too easy to blame the aggressive subsidized exporting of the EEC or the US for all the difficulties. Indeed, there are similarities with the collapse in oil prices. The OPEC cartel was effectively broken, not by concerted action by oil importers but because OPEC members in the end cheated and over produced.

But there are one or two silvers of sense now emerging. Closing the CAP is a move to be spread over three years, makes provision for national governments to assist financially those being bought out.

And again, while writing this I heard Mr John Gummer, the junior Agriculture Minister, underlining the problems of world food supplies and advocating set asides and alternative land use. Both propositions could only be implemented by national Governments.



By John Cherrington

LONDON MARKETS

ROBUSTA COFFEE futures dropped sharply yesterday afternoon on the London Commodity Exchange. The flurry of selling, which took the July position down £104.00 from Friday to a 20-week low of £2,157.50 a tonne...

INDICES

Table with 2 columns: Index Name, Value. Includes REUTERS, DOW JONES.

MAIN PRICE CHANGES

Table with 2 columns: Commodity Name, Price Change. Includes METALS, OILS, GRAINS.

US MARKETS

PRECIOUS METALS continued a choppy day and changed to slightly higher after initially weaker oil prices and strong dollar values took their toll particularly in gold.

NEW YORK

Table with 4 columns: Commodity Name, High, Low, Prev. Includes ALUMINIUM, COCOA, COPPER.

ALUMINIUM

Table with 4 columns: Commodity Name, High, Low, Prev. Includes Unofficial, Official, Cash, 3 months.

MEAT

Table with 4 columns: Commodity Name, High, Low, Prev. Includes PIGMEAT, CATTLE.

CHICAGO

Table with 4 columns: Commodity Name, High, Low, Prev. Includes LIVE CATTLE, LIVE HOGS.

COPPER

Table with 4 columns: Commodity Name, High, Low, Prev. Includes Higher grade, Official closing.

COCOA

Table with 4 columns: Commodity Name, High, Low, Prev. Includes In moderate volume, Yesterday's close.

SOYABEAN MEAL

Table with 4 columns: Commodity Name, High, Low, Prev. Includes May, July, Sept.

LEAD

Table with 4 columns: Commodity Name, High, Low, Prev. Includes Unofficial, Official closing.

NICKEL

Table with 4 columns: Commodity Name, High, Low, Prev. Includes Unofficial, Official closing.

CRUDE OIL (LIGHT)

Table with 4 columns: Commodity Name, High, Low, Prev. Includes May, July, Sept.

TIN

Table with 4 columns: Commodity Name, High, Low, Prev. Includes KUALA LUMPUR TIN MARKET.

ZINC

Table with 4 columns: Commodity Name, High, Low, Prev. Includes High, Low, Cash, 3 months.

GOLD

Table with 4 columns: Commodity Name, High, Low, Prev. Includes GOLD BULLION (fine ounce).

SOYABEAN OIL

Table with 4 columns: Commodity Name, High, Low, Prev. Includes May, July, Sept.

CRUDE OIL (HEAVY)

Table with 4 columns: Commodity Name, High, Low, Prev. Includes May, July, Sept.

PLATINUM

Table with 4 columns: Commodity Name, High, Low, Prev. Includes May, July, Sept.

SOYABEAN OIL

Table with 4 columns: Commodity Name, High, Low, Prev. Includes May, July, Sept.

SOYABEAN MEAL

Table with 4 columns: Commodity Name, High, Low, Prev. Includes May, July, Sept.

POTATOES

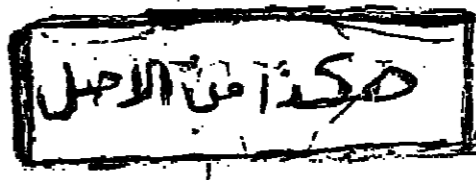
Table with 4 columns: Commodity Name, High, Low, Prev. Includes May, July, Sept.

COTTON

Table with 4 columns: Commodity Name, High, Low, Prev. Includes May, July, Sept.

FREIGHT FUTURES

Table with 4 columns: Commodity Name, High, Low, Prev. Includes Dry Cargo, Premium.



CURRENCIES, MONEY and CAPITAL MARKETS

Company Notices

FOREIGN EXCHANGES

Short covering boosts dollar

The dollar recovered from lows touched in the Far East yesterday and in New York on Monday, reflecting renewed short covering and profit-taking.

While West German and Japanese officials gave the impression that a further decline would be met by intervention, US and UK authorities stressed a desire to see the dollar depreciate further.

After a very weak start which saw the dollar touch an all time low of 164.85 against the yen, it recovered to 165.75 on Friday.

STERLING - Trading range against the dollar in 1986 is 1.5585 to 1.4770.

Table with columns: May 6, Close, Prev. Close, % Change, % Three months, % Six months. Includes data for US Dollar, Canadian Dollar, Australian Dollar, etc.

POUND SPOT - FORWARD AGAINST POUND

Table with columns: May 6, Day's Spread, Close, One month, % Three months, % Six months. Includes data for US, Canada, Denmark, etc.

DOLLAR SPOT - FORWARD AGAINST DOLLAR

Table with columns: May 6, Day's Spread, Close, One month, % Three months, % Six months. Includes data for UK, Ireland, Belgium, etc.

EXCHANGE CROSS RATES

Table with columns: May 6, DM, Yen, SFR, H.F.L., Lira, C.F., W.Fr. Includes data for DM, Yen, SFR, etc.

EURO-CURRENCY INTEREST RATES

Table with columns: May 6, Short term, 3 months, 6 months, 9 months, 12 months, One Year. Includes data for Sterling, US Dollar, etc.

MONEY MARKETS

Longer term rates firmed slightly on the London money market yesterday, after the disappointing rise of 3 per cent to 3 1/2 per cent in monthly sterling M3 money supply.

MONEY RATES

Table with columns: May 6, Ovr-Ngt, One Month, Two Months, Three Months, Six Months, 12 Months, 30 Year. Includes data for Frankfurt, Zurich, Amsterdam, etc.

FINANCIAL FUTURES

Generally firm

Interest rate contracts were generally stronger on the London International Financial Futures Exchange yesterday, but sterling futures retreated immediately.

LIFE LONG GILT FUTURES OPTIONS

Table with columns: Strike, Call, Put, Last, Mar, Jun, Sep, Dec. Includes data for 118, 122, 124, etc.

LIFE 6 1/2% OPTIONS

Table with columns: Strike, Call, Put, Last, Mar, Jun, Sep, Dec. Includes data for 1.30, 1.35, 1.40, etc.

PHILADELPHIA SE E/S OPTIONS

Table with columns: Strike, Call, Put, Last, Mar, Jun, Sep, Dec. Includes data for 1.30, 1.35, 1.40, etc.

CURRENCY MOVEMENTS

Table with columns: May 6, Bank of England, Morgan Guaranty, % Change. Includes data for Sterling, Canadian Dollar, etc.

CHICAGO

Table with columns: US Treasury Bonds (CBT), % Change. Includes data for 100, 100, 100, etc.

US TREASURY BILLS (MM)

Table with columns: % Change. Includes data for 91.12, 91.16, 91.22, etc.

CURRENCY RATES

Table with columns: May 6, Bank of England, Morgan Guaranty, % Change. Includes data for Sterling, Canadian Dollar, etc.

OTHER CURRENCIES

Table with columns: May 6, Argentina, Australia, Brazil, etc. Includes data for Argentina, Australia, Brazil, etc.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Currency, % Change. Includes data for Euro, Deutsche Mark, etc.

FT LONDON INTERBANK FIXING

Table with columns: Three months US dollars, Six months US dollars. Includes data for 111.00, 111.00, etc.

LONDON MONEY RATES

Table with columns: May 6, Over night, 7 days notice, Three Months, Six Months, One Year. Includes data for Interbank, Sterling CDs, etc.

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Table with columns: May 6, Over night, 7 days notice, Three Months, Six Months, One Year. Includes data for Interbank, Sterling CDs, etc.

ANNUAL GENERAL MEETING

SHAREHOLDERS OF SVENSKA CELLULOSA AKTIEBOLAGET SCA

are hereby called to the Annual General Meeting of the Company to be held in the Assembly Hall at the Hedbergsgata School at Skoghallen 6, Sundsvall, Sweden, on Wednesday, May 28, 1986, at 4.30 pm.

Shareholders wishing to participate at the Meeting must be registered in the shareholders register kept by the Swedish Register Centre (VPC) by Friday, May 16, 1986 and notify the Company by 4 pm on Friday, May 23, 1986.

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Svenska Cellulosa Aktiebolaget SCA

Soft Commodities The Financial Times is proposing to publish a Survey on Soft Commodities on Wednesday June 25 1986.

Advertisement for Svenska Cellulosa Aktiebolaget SCA, including company name and logo.

Large advertisement for Union Oil Company of California, featuring 'DM 250,000,000 6 1/8 % Bearer Bonds of 1986/1998' and a list of international banks.

LONDON SHARE SERVICE

BRITISH FUNDS

Table of British Funds with columns for Name, Price, and % Change. Includes sections for 'Shorts (Lives up to Five Years)', 'Five to Fifteen Years', and 'Over Fifteen Years'.

AMERICANS - Cont.

Table of American Stocks with columns for Name, Price, and % Change. Includes sections for 'CANADIANS', 'BANKS, HP & LEASING', 'CORPORATION LOANS', and 'COMMONWEALTH & AFRICAN LOANS'.

RENTALS

Table of Rental properties with columns for Name, Price, and % Change.

FOREIGN BONDS & RAILS

Table of Foreign Bonds and Rails with columns for Name, Price, and % Change.

AMERICANS

Table of American Stocks with columns for Name, Price, and % Change.

BUILDING, TIMBER, ROADS - Cont.

Table of Building, Timber, and Roads stocks with columns for Name, Price, and % Change.

CHEMICALS, PLASTICS

Table of Chemicals and Plastics stocks with columns for Name, Price, and % Change.

DRAPERY AND STORES

Table of Drapery and Stores stocks with columns for Name, Price, and % Change.

BANKS, HP & LEASING

Table of Banks, HP & Leasing stocks with columns for Name, Price, and % Change.

BEERS, WINES & SPIRITS

Table of Beers, Wines & Spirits stocks with columns for Name, Price, and % Change.

DRAPERY & STORES - Cont.

Table of Drapery and Stores stocks with columns for Name, Price, and % Change.

ELECTRICALS

Table of Electricals stocks with columns for Name, Price, and % Change.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, Etc. stocks with columns for Name, Price, and % Change.

HOTELS AND CATERERS

Table of Hotels and Caterers stocks with columns for Name, Price, and % Change.

ENGINEERING

Table of Engineering stocks with columns for Name, Price, and % Change.

INDUSTRIALS - Continued

Large table of Industrial stocks with columns for Name, Price, and % Change.

Handwritten text at the top of the page, possibly a date or page number.

Financial Times Wednesday May 7 1986

INDUSTRIALS—Continued

Table of industrial stock prices and financial data, including columns for stock name, price, and various financial metrics.

LEISURE—Continued

Table of leisure stock prices and financial data, including columns for stock name, price, and various financial metrics.

PROPERTY—Continued

Table of property stock prices and financial data, including columns for stock name, price, and various financial metrics.

INVESTMENT TRUSTS—Cont.

Table of investment trusts stock prices and financial data, including columns for stock name, price, and various financial metrics.

FINANCE, LAND—Cont.

Table of finance and land stock prices and financial data, including columns for stock name, price, and various financial metrics.

INSURANCE

Table of insurance stock prices and financial data, including columns for stock name, price, and various financial metrics.

MOTORS, AIRCRAFT TRADES

Table of motors and aircraft trades stock prices and financial data, including columns for stock name, price, and various financial metrics.

SHIPPING

Table of shipping stock prices and financial data, including columns for stock name, price, and various financial metrics.

SOLES AND LEATHER

Table of soles and leather stock prices and financial data, including columns for stock name, price, and various financial metrics.

OVERSEAS TRADERS

Table of overseas traders stock prices and financial data, including columns for stock name, price, and various financial metrics.

PROPERTY

Table of property stock prices and financial data, including columns for stock name, price, and various financial metrics.

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Regional and Irish stocks section, including a list of companies and their stock prices.

Handwritten Arabic text: "سوق الاسهم"

WORLD STOCK MARKETS

Main table of world stock markets including sections for Austria, Germany, Norway, Australia, Japan, Canada, and various indices like New York Dow Jones, South Africa, and MONTREAL.

OVER-THE-COUNTER Nasdaq national market, 3pm prices

Table of over-the-counter stock prices with columns for stock name, bid, ask, and last price.

Table of NYSE Consolidated 1500 Active stocks with columns for stock name, bid, ask, and last price.

Special Subscription Hand Delivery Service of the FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER in MADRID. Includes contact information for International Press Service, Madrid.

Advertisement for Ghent: "For an increasing number of decision-makers worldwide, the best possible start to the business day is the Financial Times." Includes contact information for Philippe de Norman.

Advertisement for Brussels: "For an increasing number of decision-makers worldwide, the best possible start to the business day is the Financial Times." Includes contact information for Philippe de Norman.

Prices at 3pm, May 6

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Main table containing stock prices for various companies, organized by sector and alphabetically. Includes columns for stock name, price, and change.

Continued on Page 47

Handwritten scribble or signature at the bottom center of the page.

NYSE COMPOSITE PRICES

AMEX COMPOSITE PRICES

Table of NYSE Composite Prices listing various stocks with columns for 12-month high/low, current price, and change. Includes sub-sections for 'Continued from Page 46' and 'Over-the-Counter'.

Table of AMEX Composite Prices listing various stocks with columns for 12-month high/low, current price, and change. Includes sub-sections for 'Continued from Page 46' and 'Over-the-Counter'.

OVER-THE-COUNTER Nasdaq national market, 3pm prices

Table of Over-the-Counter prices listing various stocks with columns for sales volume, high/low price, and change.

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